BUPERSINST 5300.10A
PERS-653
27 May 2003

BUPERS INSTRUCTION 5300.10A

From: Chief of Naval Personnel

Subj: BUREAU OF NAVAL PERSONNEL NONAPPROPRIATED FUND (NAF) PERSONNEL MANUAL FOR NAVY NONAPPROPRIATED FUND INSTRUMENTALITIES (NAFIs)

Ref: (a) DOD 1401.1-M of Dec 88 (NOTAL)
(b) DOD 1400-25 of Dec 96 (NOTAL)
(c) SECNAVINST 5300.22C

Encl: (1) Bureau of Naval Personnel - Personnel Manual for Nonappropriated Fund Instrumentalities

1. Purpose. To provide policy and guidance for personnel management within Navy Morale, Welfare, and Recreation (MWR) Nonappropriated Fund Instrumentalities (NAFIs), Navy Civilian NAFIs, Auxiliary Resale Outlets (AROs) and NAVFAC Visiting Quarters (VQ) Nonappropriated Fund (NAF) operations. This instruction is a complete revision and should be reviewed in its entirety.

2. Cancellation. BUPERSINST 5300.10.

3. Policy and Scope. Navy policy is to provide operational and support activities with essential MWR mission support services, as well as produce programs that effectively contribute to the morale, well-being and quality of life (QOL) of naval personnel and their family members. This supplements NAF personnel policy guidance in references (a), (b), and (c).

4. Applicability. This instruction applies to the personnel management operations for NAF employees within Navy MWR, Navy Civilian NAFIs, AROs and VQ NAF operations and any other NAF employee falling under the cognizance of Bureau of Naval Personnel (BUPERS). Each of these will be responsible for paying all fees or claims involving their organization. Responsibility for the supervision of civilian personnel administration and labor relations in these NAFIs under the authorities contained in references (a), (b), and (c) is delegated to Commander Navy Personnel Command (COMNAVPERSCOM).

This instruction sets forth the personnel policies of Department of the Navy (DON) NAF MWR employment consistent with and per the principles and authorities contained in references (a) and (b).

5. Maintenance and Revision. Navy Personnel Command (NAVPERSCOM), Morale, Welfare, and Recreation Division (PERS-65) will be responsible for keeping this instruction current and provide for appropriate changes, as required. Recommendations for changes should be submitted to NAVPERSCOM (PERS-65).

6. Action

a. All levels of command shall comply with the provisions of enclosure (1).

b. Requests for waiver of any of the policies that are not in higher level regulations or laws must be submitted via the NAFI's major claimant to NAVPERSCOM, Personnel and Benefits Branch (PERS-653). The waiver request shall include justification for the waiver. Waivers can either be for relief for a specific individual or relief in general. Relief in general waivers will remain in effect for 12 months following the date the request for a waiver was approved. Each waiver granted will be reviewed annually by the head of the local NAFI and a request with justification for continuance must be submitted via the major claimant to NAVPERSCOM (PERS-653) not earlier than 3 months prior to the expiration date.

6. Forms. See appendix H.

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Distribution:
SNDL Part 1

BUREAU OF NAVAL PERSONNEL

PERSONNEL MANUAL

FOR

NONAPPROPRIATED FUND

INSTRUMENTALITIES

RECORD OF CHANGES			
Change Number	**Date of Change**	**Date of Entry**	**Entered By**

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CHAPTER 1
INTRODUCTION TO NAF PERSONNEL MANAGEMENT

101. Coverage. The policies and procedures prescribed in this manual apply to employees of all NAFIs under the cognizance of Bureau of Naval Personnel (BUPERS). NAFI employees include

a. U.S. citizens.

b. U.S. nationals.

c. off-duty non-U.S. citizen members of the U.S. Armed Forces.

d. resident aliens residing in the U.S., Commonwealth of Puerto Rico and in any of the territories of the U.S.

e. non-U.S. citizen dependents of U.S. citizens employed by the Federal government and of non-U.S. citizen military members, where the host government recognizes such dependents as a part of the U.S. forces stationed in the host country.

f. employees at non-U.S. locations that do not have a Status of Forces Agreement (SOFA), e.g. Cuba.

g. all employees provided personnel services by COMNAVPERSCOM.

102. Applicable Policies. Personnel management administration of NAF employees is based on personnel procedures per the principles and authorities contained in applicable Department of Defense (DOD) and Secretary of the Navy (SECNAV) instructions, applicable public statutes, pertinent executive orders, specified Office of Personnel Management (OPM), and other applicable DON, Office of the Chief of Naval Operations (OPNAV) regulations.

103. Purpose. These policies are designed to

a. ensure NAF employees are treated equitably and fairly per applicable laws, executive orders, and other pertinent regulations.

b. provide the basis for achieving the desired degree of uniformity among NAFIs in the management of their personnel.

c. recognize and provide a basis for dealing with labor organizations.

d. promote those practices and processes that facilitate obtaining, developing, and retaining a NAF work force of well qualified individuals.

e. achieve optimum use of available human resources.

f. develop and maintain personnel programs that help preserve NAFI operational and financial integrity and ensure successful completion of the NAFI's mission.

104. Use of Appropriated Fund (APF) Civilian Personnel Services. APF civilian personnel offices may provide technical advice and counsel on an ad hoc, as required basis to NAFIs without reimbursement; however, day-to-day personnel administration is authorized only when no additional incremental APF costs are incurred. This threshold is defined as the annual expenditure of more than $500 of APF in direct labor costs. Accordingly, APF civilian personnel offices are prohibited from expending more than $500 of APF in direct labor costs on day-to-day NAFI personnel administration, unless NAFI reimbursement is provided. Reimbursement will, at a minimum, be calculated at 113.9 percent of direct labor costs. Reimbursement in excess of 113.9 percent is subject to negotiation between NAFI and the civilian personnel office. The amount of reimbursement provided will be reviewed and adjusted at least annually.

105. Authorized APF Support for MWR Activities. The APF support policy for MWR can be found in the following primary policy sources: Department of the Navy Financial Management Policy Manual (NAVSO P-1000) and DODI 1015.10 of 3 November 1995. The following summarizes existing policy:

a. Military MWR programs are sub-divided into three categories. The basic funding standard, regardless of the category, is to fund MWR programs with 100 percent of what is authorized.

(1) Category A, mission-sustaining activities, are at one end of the spectrum in which the military organization is the primary beneficiary and the activity provides identifiable recruiting and retention incentives.

(2) Category B, basic community support activities, contribute to the mission, but are capable of generating some NAF revenues; however, they are not expected to sustain operations solely with NAF funds. A significant portion is normally funded with APF funds.

(3) Category C business activities primarily benefit the individual, and have the capability to generate significant NAF revenues. APF support is very limited. Some installations have been designated as overseas, or isolated and remote, and may use APF funds for Category C operations.

b. Civilian employee MWR activities are separate from the military MWR program. They are expected to be self-supporting, dependent on NAF. See references (a) and (b) and SECNAVINST 7548.1 for details.

c. Other Basic Policy

(1) Executive Control and Essential Command Supervision (ECECS). Commanding officers (COs) have an oversight responsibility for MWR programs. To exercise this responsibility, COs must provide guidance and direction to MWR activities under their purview in the same manner as for all non-MWR activities under their cognizance. ECECS consists of general management functions and includes any assistance in carrying out these functions provided by the CO's staff. Specifically excluded from this definition is the direct operation of MWR programs and activities (e.g., functions performed by the MWR program director and staff). The ECECS function is, inherently, the responsibility of the CO. Accordingly, APF support is authorized for the ECECS function, regardless of an activity category. This function is not included as a cost of MWR.

(2) Protection of Health and Safety. All NAFI activities, regardless of the category, are authorized to receive APF common support associated with protecting the health and safety of participants, employees, resources and property.

Such services include, but are not limited to fire protection (including acquisition and installation of extinguisher, sprinkler and alarm systems); security protection, including personnel security, physical security of buildings (i.e., alarm systems and security bars) and protection of funds; pest control; sewage disposal; trash and garbage removal (not authorized for military exchanges in Continental United States (CONUS)); snow removal; safety; medical veterinary and sanitary inspections; authorized veterinary care; rescue operations; and facility maintenance or repair necessary to maintain the structural integrity and external appearance of the building (i.e., electrical, mechanical, roofing, foundations, windows, and doors), or to correct fire and safety deficiencies. When these costs are additional, identifiable, and can be segregated on a reasonable and meaningful basis, they should be identified as MWR costs on the appropriate MWR reports regardless of whether such costs are funded with APF or NAF.

(3) Other Common Support. All MWR activities may utilize other common support services, which are normally provided by a base or installation CO and are not directly related to the health and safety of personnel or property. Such common support services typically include, but are not limited to, custodial services, communications, legal services and advice including ethics determinations, and technical guidance, administration, and assistance on accounting, financial management, procurement, equal employment opportunity (EEO), and civilian personnel including labor relations.

106. Responsibilities

a. Assistant Secretary of Defense (Force Management and Personnel) (ASD (FM&P)) is responsible for all personnel policy matters related to NAF employees in DOD.

b. ASD (FM&P) has designated Deputy Assistant Secretary of Defense (Civilian Personnel Policy) (DASD (CPP)) to oversee the issuance of NAF personnel policy for DOD.

c. Assistant Secretary of the Navy (Manpower and Reserve Affairs) (ASN (M&RA)) is responsible for all civilian personnel policy matters related to NAFI employees in DON.

d. ASN (M&RA) has designated Deputy Assistant Secretary of the Navy (Civilian Personnel/Equal Employment Opportunity) (DASN (CP/EEO)) to oversee NAF civilian personnel policy within DON. DASN (CP/EEO) is responsible for reference (c), which provides DON policy, incorporated in this instruction.

e. NAVPERSCOM (PERS-65) manages NAF civilian personnel programs for all NAFIs under the cognizance of CHNAVPERS. NAVPERSCOM (PERS-65) will

(1) maintain this manual in coordination with appropriate authorities and publish necessary revisions and changes.

(2) maintain oversight of policies and programs set forth in this manual, ensuring consistent implementation and continuous application at all NAFIs under the cognizance of NAVPERSCOM.

(3) exercise the authorities specified in this manual.

(4) review and comment on all NAF civilian personnel policy issues.

(5) provide guidance on the proper interpretation and application of NAF personnel policies.

f. COs are responsible for supervision and control of NAF civilian personnel policy on their installation per policies contained in this instruction or issued by NAVPERSCOM (PERS-65). NAF civilian personnel authorities may be delegated down the chain of command through the head of the NAFI to the NAF personnel office or to a servicing APF civilian personnel office, except in instances specifically prohibited in this manual. Position classification authority shall only be delegated to a certified APF or NAF classification specialist. In some NAF regions, the Regional Director has been authorized to perform the role of the CO.

g. No employee shall initiate, process, authorize or approve a personnel, payroll or travel action on themselves. The approval level shall be at least one level of management above the impacted employee. In some situations as specified in

this instruction, two levels of supervision must approve before an action may be finalized.

107. Definitions

a. The following definitions apply, except where they may conflict with public law (P.L.).

(1) APF Employee. A person appointed to a competitive service position administered by OPM and paid from funds appropriated by Congress.

(2) Concessionaire. An entrepreneur placed under contract to an authorized NAFI for the purpose of providing goods or services.

(3) Contractor. An individual obtained through the appropriate contracting procedures to perform a service or function that does not require a NAF employee. There is not any employee employer relationship.

(4) Days. Wherever appearing throughout this manual, unless otherwise specified, days mean calendar days.

(5) Flexible Employee. These are employees who serve in either continuing or temporary (time limited) positions, on a scheduled or unscheduled (as needed or intermittent) basis, up to 40 hours per week. Flexible employees are not eligible to participate in the NAVPERSCOM benefit programs, nor are they entitled to earn or use leave including sick and annual leave. All flexible employees will be officially placed on the payroll of the employing NAFI. The change between scheduled and unscheduled does not have to be a competitive action and is not grievable. The termination of a flexible employee for cause or performance requires written notification to the employee. In many cases (as specified in this instruction) flexible employees are not covered by grievance or appeal procedures.

(6) Foreign Areas. Areas situated outside the Continental United States (OCONUS), Federated State-of-Micronesia, and Republic of the Marshall Islands (all formerly the Trust Territory of the Pacific Islands), Commonwealth of Puerto Rico, Panama and the possessions of the

U.S. (including the Commonwealth of the Northern Marianas Islands, a U.S. Territory).

(7) Head of a NAFI. The individual responsible for the oversight and fiduciary accountability, for the central, non-APF account as well as the business operations of a NAFI. Personnel actions and travel orders for the incumbent of this position shall be approved one supervisory level above the head of the NAFI. This position usually reports directly to the installation CO.

(8) Host Country. A foreign country where U.S. forces are stationed.

(9) Host Government. The political authority of the foreign country where U.S. forces are stationed under provisions of a treaty or agreement.

(10) Indirect Hire System. A system where the host country assumes the responsibility of ensuring that the needs of the U.S. forces for local national personnel are met and that the host country is in fact the official employer of such personnel.

(11) Local National NAFI Employee. A national or citizen of a host country who is employed in that country by or for a NAFI.

(12) Local Prevailing Rates. Rates determined by wage surveys, paid to local national personnel employed in retail, wholesale, service, and recreation establishments for comparable jobs.

(13) NAFI. An integral DOD organizational entity through which an essential government function is performed and other DOD organizations are provided or assisted in providing MWR programs. A NAFI is established and maintained individually or jointly by the heads of DOD components.

(a) As a fiscal entity, a NAFI maintains custody of and control over its NAF, and is also responsible for the prudent administration, safeguarding, preservation, and maintenance of those APF resources made available to carry out its function.

(b) A NAFI contributes to the MWR programs of other organizational entities when so authorized. It is not incorporated under the laws of any State or the District of Columbia (DC), and enjoys the legal status of an instrumentality of the U.S.

(14) NAFI Employee. A person employed by a NAFI and compensated from NAF.

(15) NAFs. These funds consist of cash and other assets received by NAFIs from sources other than moneys appropriated by the Congress. NAFs are Government funds and are used for the collective benefit of military personnel, their family members, and authorized civilians who generate them. These funds are separate and apart from funds that are recorded in the books of the Treasurer of the U.S.

(16) Non-U.S. Citizen. A person who is not a citizen of the U.S.

(17) Non-U.S. Citizen Dependent of a U.S. Citizen. A non-U.S. citizen NAFI employee who is a bonafide dependent of a U.S. citizen serving in a foreign area, and where such dependents are recognized by the host government as part of the U.S. Armed Forces under a SOFA.

(18) Non-U.S. Member of the U.S. Armed Forces. A citizen of a foreign country who is serving on active duty as a member of the U.S. Armed Forces. When employed in an off-duty status as a NAFI employee, such personnel will be treated the same as U.S. citizen members of the U.S. Armed Forces who are NAFI employees.

(19) Personnel Action Report (PAR). NAVPERS 5314/2 (Rev 4-94) or the electronic Systems Applications and Procedures (SAP) system substitute will be prepared to document all changes in employee category, pay, position, name, organization, job title, pay plan, series, grade, awards, details more than 30 days and service computation date (SCD). A PAR shall also be prepared for periods of leave without pay (LWOP) lost time for worker compensation, and suspensions. Once the PAR is signed by the delegated approving official it becomes the legal record of the action. An individual shall never approve a PAR on themselves or any relative.

(20) Private Organization. Generally a self-sustaining, non-Federal instrumentality, incorporated or not, constituted or established and operated on a DOD installation with the written consent of the installation CO or higher authority, by individuals acting exclusively outside the scope of any official capacity as officers, employees, or agents of the government.

(21) Regular Employee. These are NAF employees in continuing positions who work 20 or more hours a week on a regular, recurring and scheduled basis. Those who are scheduled to work between 35-40 hours per week in this capacity are regular full-time (RFT) employees, and those who are scheduled to work 20 to 34 hours a week are regular part-time (RPT) employees. RFT and RPT employees earn sick/annual leave, and are eligible to participate in medical, retirement and 401K savings and investment plans. RFT employees are also eligible to participate in the NAVPERSCOM life and disability insurance programs.

(22) Resident Aliens. A person who is foreign-born and who is residing in the host country and who has not become naturalized citizens.

(23) Temporary Emergency Flexible Positions. Individuals who meet the minimum qualifications requirements of the position may be hired into flexible pay band and Craft and Trade (C&T) positions for not more than 30 days in the event of an emergency without using competitive procedures. Temporary emergency hire flexible employees are prohibited from employment in food service or beverage handling, and processing or servicing positions, prior to issuance of a Food Handlers Certificate. Temporary emergency flexible employees may be extended for an additional 30 days with NAVPERSCOM (PERS-653) approval.

(24) Third (Other) Country National NAFI Employee. A citizen or national of a country other than the U.S. or the host country, who is employed by a NAFI.

(25) U.S. National. A person who is born

(a) in an outlying possession of the U.S. on or after the date of formal acquisition of that possession.

(b) of parents who are U.S. nationals, in an outlying possession of the U.S.

(c) of unknown parents in an outlying possession of the U.S.

108. Legal Status of Civilian Employees of NAFIs. NAF employees are Federal employees within DOD, but are not subject to many personnel laws administered by OPM for APF employees.

a. 5 U.S.C. 2105(C) explains this status and identifies the OPM administered laws that cover NAF employees unless otherwise specifically stated. This section reads as follows:

(1) "An employee paid from NAF of the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Ship's Stores Ashore, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, and other instrumentalities of the U.S. under the jurisdiction of the armed forces conducted for the comfort, pleasure, contentment, and mental and physical improvement of personnel of the armed forces is deemed not an employee for the purpose of

(a) laws (other than subchapter IV of chapter 53 and sections 5550 and 7204 of this title) administered by OPM; or

(b) subchapter I of chapter 81 and section 7902 of this title. This subsection does not affect the status of these NAF activities as Federal instrumentalities."

b. Subchapter IV of chapter 53 of 5 U.S.C., as amended by P.L. 92-392, provides for a pay system under which the rates of pay of prevailing rate employees are fixed, and adjusted from time to time as nearly as is consistent with the public interest under prevailing rates. This applies to C&T employees.

c. An opinion rendered by the Merit Systems Protection Board (MSPB) states NAF employees have no statutory or regulatory right of appeal to the MSPB because NAF employees

(1) are not covered by the definition of employee set forth in 5 U.S.C. 7511.

(2) are not covered by 5 CFR 752.401.

(3) are specifically excluded as employees for the purpose of laws administered by OPM.

(4) are not covered by 5 U.S.C., 7121(d) and (e).

109. Supervisory Authority. DOD 1400.25-M, SC 1403.12, of December 1996 advised that NAF employees may supervise APF employees, including assigned military. Conversely, this ruling provides the same authority for APF employees and assigned military to supervise NAF employees. NAF employees do not supervise contract personnel.

110. Entitlement to Personal Services and Government Quarters

a. The privileges afforded NAF employees shall be consistent with those available to APF employees. In addition, local COs may authorize the personal use of the facilities of the NAFI, in which an individual is employed, when the use by regular eligible patrons is not diminished. The entitlement of 5 U.S.C., 5911 (Government Quarters and Facilities), as well as any other regulations prescribed by the President and deemed to be necessary and appropriate to carry out the provisions of this section, are administratively extended to NAF employees.

b. In the U.S., except in isolated situations in which the only suitable quarters and facilities available are government-owned, NAF employees will be expected to secure their quarters from the private sector. Exceptions may be made when, in the judgment of the CO, the mission of the installation will be better accomplished by having certain key administrative NAF personnel quartered on the installation.

c. The occupation of government quarters on a temporary basis by NAF employees while traveling on official business is authorized.

111. Transportation Agreement. NAVPERSCOM (PERS-65) NAF policy provides, under certain conditions, for travel and transportation expenses of the employee and their dependents, movement and storage of household goods and personal effects, and certain other allowances incident to employment by the NAF activity. These expenses will not exceed those prescribed in

the Joint Travel Regulations (JTR), volume 2. Figure 1-1 provides a sample of a transportation agreement letter that will be completed when these entitlements are offered to current or potential employees. DD 1617 (NOV 1999), Department of Defense (DOD) Transfer of Civilian Employees Outside CONUS (OCONUS) Transportation Agreement may be used when NAF is reimbursing all of the same expenses as the JTR authorizes to be paid to APF employees.

112. New or Revised Programs. The provisions of this manual will not be construed as limiting NAFIs in the development and administration of personnel policies appropriate for sound and progressive career development and management programs. Such programs must meet the basic objectives and policies set forth in this manual.

a. New programs or revisions to existing programs that modify NAF employee compensation, benefits or allowances beyond those authorized in this manual must be approved prior to implementation. Recommended changes must be forwarded to NAVPERSCOM (PERS-653) for approval through the appropriate chain of command prior to implementation.

b. Commands are encouraged to carry out research and demonstration projects that test new approaches to personnel management. Such projects require prior approval of NAVPERSCOM (PERS-653), and consultation and negotiation with unions when negotiated agreements exist. NAVPERSCOM (PERS-653) may waive personnel policies in the conduct of projects, provided such waivers do not violate laws, rules, or regulations from higher authority.

113. Official Bulletin Boards. Each NAFI shall have at least one official bulletin board to post information for employees. Official bulletin boards shall contain at a minimum the following:

a. Code of Ethics for Federal Government Service (stock number 052-003-01483-1).

b. Notice to employees of rights and remedies under 5 U.S.C. chapters 12 and 23 (prohibited personnel practices). Print text of 5 U.S.C., 2302(c) for posting.

c. Prohibition against possession of firearms or dangerous weapons. Print 18 U.S.C. 930h for posting.

d. EEO and Americans for Disabilities Act. These can be printed from http://www.dol.gov. The name(s) business address, and phone numbers of EEO counselor(s), a notice of the time limits and necessity of contacting a counselor before filing a complaint and the telephone numbers and addresses of the EEO director, EEO officer and Special Emphasis Program Managers. Obtain these from your local APF EEO Office.

e. Fair Labor Standards Act (FLSA) (CONUS only). This can be printed from http://www.dol.gov.

f. Employees Polygraph Protection Act (EPPA) of 1988. This can be printed from http://www.dol.gov.

g. Williams-Steiger Occupational Safety and Health Act (OSHA) of 1970. This can be printed from http://www.osha.gov.

h. OPNAV 5040/4, Navy Hotline (Stock Number 0107-LF-050-4040).

i. Civilian Employee Assistance Program (CEAP). Obtain from your local APF human resource office (HRO).

j. Open vacancy announcements.

k. The definition of the local Business Based Action (BBA) competitive area(s).

l. The local pay policy regulation.

m. Workers' Compensation DOL Form LS-242.

n. Local NAFI competitive area determination.

l. The local pay policy regulation.

o. Suggested Postings

(1) Family Medical Leave Act (FMLA). This can be printed from http://www.dol.gov.

(2) Weingarten rights if there is a recognized bargaining unit. Prepare text of 5 U.S.C 7114.

(3) Disciplinary Action Policy. Appendix c of this instruction may be used.

114. Volunteers

a. The head of the NAFI will establish policies and procedures per this instruction and DODI 1100.21 of 11 March 2002 for the acceptance of volunteers.

b. A volunteer is a person who does not meet the definition of "employee" because they donate services that primarily benefit someone other than the NAFI where volunteer service is performed. Under such circumstances, there is neither an implied nor expressed compensation agreement. Services performed by volunteers include personal services, which, if left unperformed, would not necessitate the assignment of an employee to perform them.

c. A DD 2793 (FEB 2002), Volunteer Agreement for Appropriated Fund Activities and Nonappropriated Fund Instrumentalities shall be completed for each individual volunteering services to a NAFI organization. This form is also available electronically and can be downloaded from http://web1.whs.mil/ICDHOME/DD2500-.htm.

(1) A copy of the signed volunteer agreement shall be given to the volunteer prior to commencing volunteer service.

(2) Part IV of DD 2793 shall be completed at the end of the volunteer's service in order to document the dates of the volunteer service. A copy of the completed volunteer agreement shall be given to the volunteer upon termination of services.

d. Volunteers shall not be placed in policy-making positions, roles, or supervisory positions, roles or situations over compensated government (NAF or APF) employees or receive cash awards or compensation of any kind for services rendered.

e. Volunteers shall not perform duties for which there is an unfilled manpower requirement; circumvent the NAF or civil service personnel systems; or for which funding has been

provided to hire staff or obtain services by contract or perform dangerous duties that render them unusually susceptible to injury or to causing injury to others.

f. Volunteers shall have license, privileges, or appropriate credentials, as would an employee performing the same or similar assigned duties. Strict compliance with DODI 1402.5 of 19 January 1993 is required to obtain criminal history background checks on individuals volunteering in childcare and youth services.

g. Volunteers will be provided with a clear, written description of the duties and scope of responsibilities to be performed including the supervision to be received.

h. Parental consent, in writing, is required for all unmarried volunteers less than 18 years of age. Volunteers under the age of 16 years of age shall not be accepted. Additional State and local law requirements may also apply.

i. Volunteers are authorized reimbursement for incidental expenses incurred as a result of the services rendered. Reimbursement may be from APF or NAF that are authorized for use in support of DON activity involved. Examples of incidental expenses include

(1) parking fees and tolls, general admission costs, and subsistence and lodging expenses incurred by the volunteer during the provision of volunteer services.

(2) other incidental expenses not normally provided to employees such as long distance telephone calls, commuting, and childcare. This applies when such reimbursements are determined to be necessary to obtain the voluntary service and are reasonable in amount and in relation to the value of the voluntary services involved to the DON activity.

j. Pursuant to 10 U.S.C 1588 a person providing properly accepted voluntary services to an APF or a NAFI activity shall be considered a government employee for worker's compensation only with respect to services that are within the scope of the voluntary services so accepted. 10 U.S.C. 2733 contains instructions for determining the amount of compensation payable in such cases. Additionally, volunteers acting within the scope

of the services accepted under the assigned scope of services will be treated as Federal employees for the purposes of determining liability under the Federal Tort Claims Act.

k. Officially sanctioned volunteers shall be provided training and support to include

(1) review of responsibilities and reporting requirements that will enable them to carry out their assigned duties.

(2) volunteer orientation and training to familiarize volunteers with the organization, their assigned duties, the NAFIs procedures to document the type and number of hours of voluntary services provided, and other relevant matters.

(3) use of Government facilities, to include dedicated office or desk space, equipment, supplies, computers, and telephones as needed to accomplish assigned duties.

(4) use of official mail as deemed necessary and appropriate to execute assigned volunteer duties.

l. NAFIs shall ensure compliance with Privacy Act and Freedom of Information requirements.

(1) Access to records contained in a Privacy Act system of records may be provided to a volunteer of a DON activity other than a NAFI. Any volunteer with such access must comply with the protection, disclosure, disclosure accounting and other requirements involving the protection and release of the information.

(2) Privacy protected information for NAFI volunteers require consent of the individual about whom the records pertain or other authorization consistent with these requirements.

m. Volunteer records shall be retained for 3 years following the termination of volunteer service by the organization receiving the service. After that period, a summary of each volunteer's service may be electronically maintained at the activity until no longer needed.

SAMPLE NAF TRANSPORTATION AGREEMENT

DATE

NAF ACTIVITY

NAME OF EMPLOYEE

1. NAVPERSCOM (PERS-65) policy provides, under certain conditions, for travel and transportation expenses of the employee and their dependents, movement and storage of household goods and personal effects, and certain other allowances incident to employment by a NAF activity.

2. We have authorized you the following travel/transportation and related entitlement(s) in keeping with our recent employment offer:

ENTITLEMENT	**AUTHORIZED**	
	YES	**NO**
a. Travel, transportation and per diem for the employee from _____ to (activity name).		
b. Travel, transportation and per diem for authorized family members from _____ to (activity name).		
c. Shipment of household goods from _____to (activity name).		
d. Storage of household goods not to exceed (NTE) 45 days.		

Figure 1-1

ENTITLEMENT	AUTHORIZED YES	NO
e. Temporary Quarters Subsistence Expense (TQSE) NTE 30 days (starts once on activity payroll).		
f. Miscellaneous expense (NTE $700 with family or $350 without family, in conjunction with relocation).		
g. Other(s)		

3. In order to establish eligibility for the above allowances, I understand and agree that

a. I will remain employed with (activity name) for at least 12 months beginning with my first actual date of work unless separated for reasons beyond my control and acceptable to the management of (activity name).

b. if I should fail to fulfill the terms of this agreement, or if I am removed for cause before expiration of the required 12 months of employment, I will, upon demand, repay to (activity name) a sum of entitlement. I authorize (activity name) to withhold any final pay due to me to apply against or liquidate any indebtedness arising for violation of this agreement.

4. **(Overseas permanent change of station (PCS) only).** When I complete _____months, the prescribed tour of duty, I will be eligible for return travel and transportation allowances at Government expense for myself, my dependents and my household effects, to my actual residence at time of appointment as stated above for purpose of separation from the service, unless separated early for reasons beyond my control that are acceptable to the NAFI.

5. **(Overseas PCS only).** You will lose U.S. Government sponsorship upon completion of your tour. This sponsorship is

Figure 1-1

required if you wish to remain in the overseas location as a nonresident alien. If you desire to request an extension the request shall be submitted in writing not earlier than 8 months or later than 6 months before the end of the tour. The decision as to whether or not to approve an employee request for tour renewal is a command prerogative. Termination due to completion of the tour (including situations where renewal is refused) is considered a non-disciplinary action and is not grievable or appealable.

_____	_____
Signature of Employee/Date	Signature of Personnel Rep/Date

Figure 1-1

CHAPTER 2
EMPLOYMENT AND PLACEMENT

201. Employment Policy. NAVPERSCOM (PERS-65) is committed to ensuring that the recruitment, selection, placement, promotion, termination, and other related personnel actions involving NAF employees are per the Federal government's commitment to fair employment practices and equal opportunity and treatment for both applicants and employees.

a. Administration. Administration of employment processing and other personnel procedures for a NAFI can be a complex operation, involving personnel appeal procedures, employee benefits, and all other facets of personnel administration. Cognizant installation COs may establish a central NAF personnel office to handle the personnel administration of NAF employees. NAF personnel administration may also be performed in an APF HRO, on a cost reimbursable basis, if this is deemed by the command as the most appropriate means of accomplishing this function.

b. Financial Support of Staffing

(1) It is Navy policy to provide, maintain, and operate adequate facilities to accommodate well-rounded MWR programs to ensure the mental and physical well being of Navy personnel. In consonance with this policy, Department of the Navy Financial Management Policy Manual (NAVSO P-1000) authorizes the expenditure of APF to staff certain MWR positions.

(2) Cognizant installation commanders should resist converting authorized civil service billets to NAF billets if at all possible.

(3) The Uniform Support and Accountability (USA) practice shall not be used as a mechanism to convert encumbered MWR APF civilian positions to NAF. If a civil service position becomes vacant the Memorandum of Agreement (MOA) may be modified to include the funds to be provided to the NAFI; however if an unencumbered position is converted back to NAF or contract, then it shall not be converted back to an APF position. NAF positions for which APF reimbursement is received must be budgeted and executed per a MOA with the installation APF comptroller.

202. Position Control. Heads of NAFIs will develop staffing levels, which reflect the optimum numbers and grades, including series code, of all positions required in each department of the NAFI. The cognizant CO shall approve staffing levels.

203. Assignment of APF Personnel (Military and Civilian)

a. Military Personnel. MWR programs are authorized APF staffing per the appropriate funding category specified in table 2-1.

AUTHORIZED APF SUPPORT

ELEMENT OF RESOURCE	APF SUPPORT AUTHORIZED		
	A	B	C
1. MILITARY PERSONNEL	Y	Y	N
2. CIVILIAN PERSONNEL			
a. Permanent/temporary assignment			
(1) ECECS at headquarters, major command & installation levels.	Y	Y	Y
(2) Managerial and supervisory functions.	Y	Y	N
(3) Base Realignment and (BRAC) related costs for NAF and APF employees.	Y	Y	Y
(4) Personnel directly and primarily involved in resale.	N	N	N
(5) All other functions.	N	N	N
b. Additional or collateral MWR duties.	Y	Y	N

Table 2-1

b. Military personnel may be utilized by all Category A and B activities on permanent assignment, temporary assignment (no more than 90 days), and for additional and collateral MWR duties. If 25 percent are MWR specific, the costs must be reported as MWR. All costs associated with military personnel, including temporary duty travel, should be financed using APF. Additionally, the use of military personnel is authorized for all MWR categories when essential for the provision of ECECS and also for the provision of security, when not otherwise available. Military personnel may be assigned to MWR activities provided one of the following conditions are met:

(1) Effective ECECS cannot be provided by the assignment of civilian personnel.

(2) When required for deployments or at locations where qualified civilians are not available through the local labor market.

(3) To provide staffing for shipboard activities.

(4) Military personnel may be placed on temporary assignment to MWR activities, to include detail and temporary duty, for a period not to exceed 90 calendar days. Temporary assignments may be made under the following conditions:

(a) The military member, possessing a non-critical rating, is awaiting reassignment or other personnel action and is not required to perform in their rating or military occupational specialty during that period.

(b) Navy afloat or other deployed units arrive at supporting location and military members are required to augment the host installation.

(c) Mobility or deployment requirements occur.

(d) Training to upgrade or maintain essential military skills cannot be provided through other means.

c. <u>Restrictions on the Assignment of Military Personnel</u>

(1) Military personnel officially assigned to duty in MWR positions will not be paid any monetary supplement. These

personnel will not receive any leave other than their authorized official military leave.

(2) Military personnel including those assigned for duty in VQs will not be assigned or detailed to duty involving the selling or serving of alcoholic beverages. They may be voluntarily employed for this purpose in their off duty hours, as provided elsewhere in this manual.

(3) Mess management specialist (MS) personnel may be detailed to duty at official entertainment or social functions held on government property and financed by official representation funds (ORF) per SECNAVINST 7042.7J. Such assignment will be considered regular military duty; duty hours and liberty times of affected MS personnel will be adjusted accordingly. Neither MS personnel nor other enlisted personnel will be detailed to duty for nonofficial entertainment or social functions that are not financed by ORF. Social functions not financed by ORF include those contributing to the personal benefit of an officer or group of officers, which have no connection with official duties and responsibilities. Entertainment for the enjoyment and benefit of those participating, occurring on a temporary or continuing basis, both during and after normal working hours, is a social function. Station, ship, staff, squadron and private parties, ladies luncheons, and all food service, other than essential food service, are defined as social functions, as are sales in bars, and cocktail lounges.

(4) Enlisted personnel assigned to managerial positions in a NAFI may not be employed in the same NAFI during off-duty hours.

(5) Off duty enlisted personnel not assigned to the NAFI may be employed in a NAFI position after duty hours on other than a full-time basis and shall not work more than an average of 34 hours per week. Off duty officers and warrant officers shall not be employed (DOD 1400.25-M, SC 1405).

(6) Off duty enlisted personnel, officers and warrant officers may be compensated on an intermittent fee basis for services rendered in such capacities as officials at athletic events and participation in miscellaneous recreational and entertainment activities as approved by appropriate authority.

(7) NAFI funds may not be expended for scheduled pay, bonuses, overtime pay, incentive pay, or any other remuneration for work performed by military personnel, while either on or off duty, who are not regularly employed in a NAFI position. Time worked in a military assignment will not be used to determine the pay of enlisted personnel for duties performed in NAFI positions.

(8) Active duty commissioned and warrant officers are prohibited from receiving compensation in any form from NAFIs except on an intermittent fee basis for services rendered in such capacities as officials at athletic events and participation in miscellaneous recreational and entertainment activities.

c. Civilian APF Personnel. Civil service personnel may be utilized on permanent assignment, or an additional or collateral duty basis, in Category A and B activities if they are performing managerial functions, or if the position requires technical or professional qualifications. Department of the Navy Financial Management Policy Manual (NAVSO P-1000), provides special provisions for child care employees. Personnel accountable for APF resources and the protection of the interest of the Federal government should also be civil service employees. Civil service employees may also be engaged in ECECS (not included as a cost of MWR), regardless of the category of activity. For civil service employees, if 25 percent or less of assigned duties are MWR specific, no cost should be allocated to MWR; if more than 25 percent, the costs must be reported as MWR. All costs associated with civil service personnel should be financed utilizing APF, regardless of the category of activity by which the civilian is employed. These costs include PCS travel, transportation of household goods, temporary duty travel, and education and training. In rare instances, NAF may be used for temporary duty travel of civil service personnel.

(1) Rules and regulations concerning the administration of civil service personnel assigned to DON NAFIs are published by OPM and are contained in civil service regulations.

204. Categories of Employees. There are only two categories of employees, regular and flexible. Other descriptive terms are often used to describe circumstances. Most new hires are either competitive selections off of a vacancy announcement or

noncompetitive reinstatements of former NAF employees. NAFIs may also hire flexible employees on a temporary emergency hire basis.

205. Citizenship Requirements

a. Employment in Non-Foreign Areas. Per P.L. 99-603 all employees (both U.S. citizens and eligible non citizens) must complete INS I-9 (21 Nov 91), Employment Eligibility Verification at the time of hire. The employee must provide the documentation specified on the I-9 upon entrance on duty into each individual NAFI. If the employee fails to produce the required document(s), or a receipt for replacement document(s) in the case of lost, stolen or destroyed document(s) the employee shall be terminated. Photocopies of documents are not acceptable. Questions should be directed to the nearest INS office. In CONUS, all employees must be a U.S. citizen or a bona fide resident (Green Card holder) unless Secretary of Labor certifies that no U.S. citizen or bona fide resident is available to fill the particular position. Non-citizens must meet all of the requirements established by INS to be eligible for employment in any NAF position.

b. It is recommended that each personnel office print out a copy of the I-9 employer guide from http://www.ins.usdoj.gov/graphics/index.htm.

c. Completed I-9s shall be filed on the right hand side of the employee's official personnel folder (OPF).

d. Each C&T employee must be a bonafide U.S. citizen or a bonafide resident of U.S. or DC. The physical presence test (at least 330 full days in the U.S. or DC can be used to determine bonafide residence. Military spouses and individuals with green cards also meet it.

e. NAFIs shall monitor the expiration dates of all employees Green Cards and ensure that the employee provides information verifying the renewal. Employees who do not renew are no longer eligible for employment.

f. Non-citizens may not be assigned to sensitive positions.

206. Approval and Recruitment for NAF Positions

a. The authority to select and approve recruitment for positions is delegated through the CO to the head of the NAFI for positions under their cognizance. The head of the NAFI may re-delegate this authority to lower supervisory levels at their discretion.

b. In order that the most suitable and qualified persons are employed by NAFIs at all levels, heads of NAFIs will ensure that established recruiting procedures are followed. Vacancy announcements must be posted for a minimum of 5 calendar days.

c. Activities may use open continuous vacancy announcements for high turnover and hard to recruit vacancies. When these are used, cut off dates will be used and all Best Qualified (BQ) applications received by the cut off date will be considered. Applicants will be considered and referred using merit principles.

d. A vacancy recruitment file will be established for each vacancy announcement. This file will be maintained for 2 years or as long as any potential complaints, appeals or grievances are pending and shall contain the following items:

(1) This written approval document should include the salary range, the proposed area of consideration, whether or not any PCS expenses will be authorized and whether or not commercial advertising is proposed.

(2) A copy of the SF-52 (07/1991), Request for Personnel Action or recruitment request approved by the delegated approving official.

(3) A current position description (PD).

(4) A copy of any newspaper advertisements.

(5) A copy of the vacancy announcement and any amendments used.

(6) A copy of all applications received including the selected applicant’s application. The selected applicant's application will also be filed in their OPF.

(7) A copy of the crediting plan used to rate and rank applicants.

(8) A rating and ranking sheet indicating the rating for each applicant.

(9) Reference checks for the selected applicant.

(10) An approved selection memorandum and the offer letter.

(11) Copies of the written notification(s) to the non-selected applicants.

e. NAF vacancy announcements will address the subject of relocation costs.

f. NAF vacancy announcements should include the following statement. "DON is an EEO Employer. All qualified candidates will receive consideration without regard to race, color, religion, sex, national origin, age, disability, marital status, political affiliation, sexual orientation or other non-merit factor. Reasonable accommodations are provided to applicants with disabilities. If reasonable accommodation is needed for any part of the application and hiring process, please contact the office that is collecting the applications. The decision on granting reasonable accommodations will be on a case by case basis." Announcements should also list any other special requirements such as National Agency Checks (NACs), travel, shift work, heavy lifting, use of Electronic Fund Transfer (EFT), noncompetitive promotion potential, etc.

g. Heads of NAFIs will require adherence to the terms advertised in job announcements, including the area of consideration and mandatory qualifications.

h. If a NAFI position is abolished due to base closure, regionalization, etc., it will not normally be reestablished. If this becomes operationally necessary, the CO must approve the need for the position and the justification for the reestablishment shall be included in the recruitment file. If a NAFI employee was separated as a result of the abolishment, that person must be non competitively placed in the newly established NAF position if the position is identical to the position being

abolished and if the position is reestablished within 1 year of the employee's separation.

i. Social Security Number (SSN). Disclosure of the SSN is mandatory for applicants and employees to obtain the services, benefits, or processes they are seeking. It is used as a unique identifier throughout the personnel process.

207. Position Qualification Requirements

a. General. Establishment of realistic qualification standards and requirements for any NAF position is a management responsibility. Such basic qualification requirements must be based on factual job requirements using OPM qualification guidelines and the duties and knowledge, skills and abilities (KSAs) in the PD. Qualifications shall be written so that competition for the job is not restricted to any one individual and does not violate merit and EEO principles. The qualifications of each applicant shall be carefully reviewed and evaluated. The basic and simple principle is to find the best-qualified person for the job to be filled. Once qualification requirements are determined for a position and placed in an appropriate vacancy announcement, changes to the qualification requirements shall not be made unless an amended vacancy announcement with the revised qualifications is issued. If any of the information in the vacancy announcement changes, a new or amended vacancy announcement must be issued and left open for at least 5 calendar days. Each application received will be screened to ensure that applicants meet the basic qualification requirements for the job being recruited. The vacancy file must document whether or not the applicant met the minimum qualification requirements for the position.

b. Eligible candidates for all competitive announcements must be formally evaluated against job related crediting plan. Crediting plans must define the criteria for rating job applicants at different levels and must be determined by analyzing the job and tasks to be performed. The crediting plan shall be filed in the vacancy announcement file. A cutoff score for referral must be established and all eligible applicants with this cutoff score or higher scores will be considered as the BQ applicants for the vacancy. The BQ applicants will be referred to the supervisor for consideration. The supervisor can select any of the BQ applicants for the vacancy unless a

special referral program applicant such as the NAF Special Placement Program (SPP), Spouse Preference, etc. is involved.

c. Use of Education in Qualification Requirements. Education cannot be used as a screen-in, screen out, or basic qualifier for any position unless such requirement has also been designated by OPM for similar positions in the Civil service. For example the 0510 and 1701 series both have a positive education requirement on the APF side of the house, hence, NAF positions in these series must use this same positive education requirement. In series where OPM does not define a positive education requirement, the NAF qualifications must include the option to meet the minimum qualifications by a combination of an equivalent combination of education and work experience or an equivalent amount of work experience alone. The degree requirement cannot be the only requirement for these positions.

d. DOD mandated qualifications and training requirements for caregiver positions is in OPNAVINST 1700.9D.

208. Employment Preference. When preference eligibles are to be referred, it is recommended that the preference eligibles be forwarded to the selecting official on a separate referral ahead of non-preference eligibles. In these cases, the non-preference eligibles should not be referred unless all preference eligible selection guidelines are complied with. A list of preference eligibles is in table 2-2.

Employment Preferences in the Order of Selection Priority	**Eligibility**	**Basic Policy**
1. NAF Reemployment Priority Lists (RPL)	NAF employees who were separated by Business Based Action (BBA)	Separated employees shall have priority placement in the NAF activity from which separated and priority consideration rights at other NAF activities in the same commuting area. A separated employee can remain in the RPL until reemployed but not longer than 1 year from the date of their separation. Selection of an

Table 2-2

Employment Preferences in the Order of Selection Priority	Eligibility	Basic Policy
		individual on the RPL is a noncompetitive recruitment action. DOD 1401.1-M, chapter 5 of December 1988.
2. Military Spouses	Spouses of active duty military members	Preference applies to jobs graded at NF-3 and below, and to equivalent positions paid at hourly rates. Preference applies to any job that is open to competition per merit staffing practices. Spouse preference may be exercised one time for each permanent relocation outside of the commuting area of the military sponsor. The spouse must have been married to the military sponsor before relocation to the new duty station. DODI 1404.12 of 12 January 1989.
3. Military Separations under Special Separation Benefit (SSB) Program or Voluntary Separation Incentive (VSI) and their dependents	On active duty on 09/30/90 and honorably separated after 10/01/90	Preference is the same as Military Spouse (except that Military Spouse preference has priority over this preference). 10 U.S.C., chapter 58, section 1143 (d).
4. Family Members in Foreign Areas	Family members of active duty military members and Federal employees stationed in foreign areas.	Preference is for all NAF jobs. Preferences apply when not at variance with the SOFA or as prescribed by DODI 1400.23 of 12 May 1989.

Table 2-2

a. RPL. Each personnel office servicing a NAFI that separates regular non-probationary employees and flexible employees who have 3 years or more in the NAFI immediately prior to the announcement of the BBA, will establish a RPL to provide placement assistance to those separated by BBA. Such separated employees will have priority placement rights in the NAF activity from which separated and priority consideration rights at other DOD NAF activities in the commuting area. The personnel office will send written notification to other NAF personnel offices in the commuting area. They will immediately be placed on the RPL and remain on the RPL until reemployed, but not longer than 1 year from the date of separation or 1 year from the employees inclusion on the RPL, whichever occurs first.

(1) A person on the RPL shall be offered employment in a vacant position in the NAF activity from which they were separated if management is filling a vacancy by other than detail or position change) promotion, demotion/reassignment) when the position has substantially the same duties as the position from which separated and is not of a higher grade or employment category than the position they were separated from. They may also be offered non-competitive priority consideration for other positions that are not of a higher grade or employment category than the position they were separated from.

(2) A person on the RPL must also be offered priority consideration for NAF jobs in other DOD NAF activities in that have the same duties as the position from which separated and are not of a higher grade or employment category than the position from which they were separated.

(3) DOD NAF activities will exchange RPLs within the commuting area to effect the above requirements.

(4) Registered employees will be given the opportunity to provide an updated employment application to be forwarded along with RPLs to DOD NAFI organizations in the commuting area

(5) An individual's name is removed from the RPL when they accept an offer of a position in the same or higher employment category as the position from which separated in any DOD NAF activity. Declinations of such an offer will cause the individual’s name to be removed from the RPL. Declinations

should be indicated on the RPL and the next eligible person on the RPL will be offered the position.

(6) Rehiring an individual on the RPL is a noncompetitive recruitment action. Therefore, such individuals will be rehired before those who receive preference in competitive recruitment actions, such as spousal preference.

b. Spouse Preference. The "Employment Opportunities for Military Spouses" as amended (10 U.S.C., section 133 Note) and Executive Order 12568, "Employment Opportunities for Military Spouses of Nonappropriated Fund (NAF) Activities and DODI 1404.12 give spouses preferential consideration for APF and NAF continuing positions at the NF-3 and below and equivalent C&T positions in NAF and GS-15 and below and equivalent C&T positions in civil service. A continuing position is one that does not have a time limit of less than 1 year. Such preferential consideration will be executed using the guidelines in DODI 1404.12. Spouse employment has a very positive impact on the military and on military retention.

(1) Spouses eligible for preferential consideration are wives or husbands of an active duty military member of the U.S. Armed Forces, including members of the National Guard or Reserves on active duty. The marriage must have occurred before the military member received official PCS orders to the installation at which employment is being considered.

(2) The time period of eligibility for spousal preference begins 30 days before the military member's reporting date at a new duty station outside of the current duty station's commuting area and applies without time restriction except that spouses seeking preference with less than 6 months time remaining in the area may be non-selected for permanent continuing positions. Once a spouse has been employed in a continuing position, either NAF or APF, the spouse is considered to have used their spousal preference, whether it was declared at the time of employment or not.

(3) This preferential consideration applies only to NAF vacancies to be filled through competitive means, and to spouses applying and referred for NAF positions in all employment categories at the NF-3 and below level, or equivalent hourly

rate positions (hourly rates at or below the NF-3 level), and at installations within the commuting area.

(4) Eligible spouses will request consideration by submission of a completed application or resume, a copy of the spouse's PCS orders, and NAVPERS 12300/23 (01-03), Additional Data Sheet NAVPERSCOM PERS-65 to the servicing personnel office of the NAFI in which consideration is desired.

(5) The servicing personnel office is responsible for verifying eligibility of spouses for preferential consideration.

(6) Preference should be limited to the specific positions identified for consideration on the application or resume.

(7) Eligible spouses will be included within the minimal area of consideration.

(8) Eligible spouses rated as BQ and referred to the selecting official shall be selected for the vacancy. If there is more than one BQ spouse eligible among the BQ applicants, the selecting official may select the best of the spouse eligible applicants.

(9) Exceptions to selection of eligible spouses will be rare and based on compelling hardship to the functioning of the NAFI, or other reasons acceptable to the eligible spouse applicant. The cognizant CO prior to final selection action will approve exceptions.

(10) Position vacancies eligible for spouse preferential consideration will be widely published locally, and prominently posted in areas of the installation frequented by spouses.

(11) Spouse preference does not apply to non-competitive placement actions within the same NAFI. Management may reassign a qualified employee in the same pay band and employment category of the position to be filled without the requirement to consider a spouse preference eligible. Management may also advertise in-house under a noncompetitive announcement and select a qualified onboard employee of the same grade and employment category as the advertised position without the requirement to consider spouse preference eligibles.

(12) Copies of employment actions documenting placement of spouses under preferential consideration will be forwarded quarterly to NAVPERSCOM (PERS-653).

c. Preference in Hiring for Involuntarily Separated Members of the Armed Forces and their Dependents

(1) Per P.L. 101-510, section 502(a), which added section 1143(d) to 10, U.S.C., the heads of DOD components will take steps to provide preference in hiring by NAFIs for involuntarily separated members of the Army, Navy, Air Force, and Marine Corps, and their dependents.

(a) Spouse employment preference individuals will have priority over a preference eligible under this section.

(b) A person may receive a preference in hiring only once under P.L. 101-510. Transition hiring preference is terminated upon placement in, or declination of (whichever occurs first), a NAF position for which application is made.

(c) This preference applies to all NAF jobs, NF-3 and below and equivalent positions, and for positions paid at hourly rates, regardless of the grade of the job for which the individual eligible for transition hiring preference applies, and is fully qualified.

(d) This preference applies to any NAF job which is open to competition per merit practices, even if there are enough "in-house eligible" personnel otherwise to limit competition just to those under merit procedures. Preference will not be limited to just those vacancies where it is necessary to hire someone outside the organization.

(e) A person eligible for preference will be referred for selection only if they are among the BQ candidates following a competitive screening process is completed.

209. Equal Employment Opportunity (EEO)

a. NAFIs should utilize the local installation or command APF EEO staff. Reimbursement may be required.

b. In furtherance of the above, the head of each NAFI will, to the maximum extent possible

(1) provide sufficient resources to administer its EEO program in a positive and effective manner.

(2) conduct a continuing campaign to eradicate every form of prejudice or discrimination based upon race, color, religion, age, sex, physical or mental disability or national origin, from personnel policies and practices and working conditions, to include taking disciplinary action against employees who engage in discriminatory practices or sexual harassment.

(3) communicate this policy and employment needs to all sources of job candidates.

(4) provide for the prompt, fair, and impartial consideration and disposition of complaints involving issues of discrimination.

(5) establish a procedure for periodically evaluating the effectiveness of the overall EEO effort.

c. Each NAFI will follow SECNAVINST 12720.1A and SECNAVINST 12720.5A and local command EEO directives.

d. Each NAFI is responsible for paying all costs involved in processing EEO complaints. A local memorandum of understanding (MOU) may need to be made to provide for EEO counseling, investigations and complaint processing. Judgments in EEO complaints are technically against the CO, therefore APF funds may be used to pay EEO settlements or for EEO make whole determinations.

e. Discrimination Complaint Procedures and Processes

(1) Individuals who believe they have been discriminated against on the basis of race, color, religion, sex, national origin, age, handicap, or reprisal for prior EEO involvement, must first, seek counseling. This must be done within 45 calendar days after the date the alleged discriminatory event or personnel action occurred, and prior to filing a formal complaint. The individual will be issued rights and

responsibilities. An informal inquiry will be conducted, resolution will be attempted, and a final notice of interview will be provided within 30 calendar days. This will happen unless, by the 25th day of counseling, all parties agree to an extension of not more than 60 days. If the matter is not informally resolved, the aggrieved person will be informed in writing at the conclusion of the counseling period through the final notice of interview of the right to file a formal discrimination complaint.

(2) Discrimination complaints based on age will be processed if the aggrieved person is at least 40 years of age or older at the time the discriminatory act is alleged to have occurred. In lieu of the above processing, the aggrieved person may serve the Equal Employment Opportunity Commission (EEOC) with notice of intent to file a civil action and after 30 days may proceed directly into Federal Court.

(3) After the investigation is completed the aggrieved person will be notified of the right to request (within 30 days) a hearing by an EEOC Administrative Judge (AJ) or, alternatively, an immediate final decision if the aggrieved person requests a final agency decision, or if the 30 day period lapses without the individual requesting a hearing, the agency will have 60 days to issue the final decision. The aggrieved person will have 30 days from receipt of the final agency decision to appeal the decision to EEOC.

(4) If the aggrieved person requests a hearing, an AJ will oversee discovery, conduct a hearing, issue findings of facts and conclusions of law, and where a finding of discrimination is made, order an appropriate remedy. The AJ must issue findings of fact and conclusions within 180 days of receipt of a hearing request, unless they make a written determination that good cause exists for extending the 180-day period. The aggrieved person has 90 days from receipt of EEOC AJ’s decision to file a civil action in a U.S. District Court after receipt of the agency's decision.

(5) Complainants have the right to be accompanied, represented, and advised by a representative oftheir own choosing at any stage in the presentation of a complaint, including the informal counseling stage.

210. Special Selection Consideration for Disabled Individuals. Per DOD 1401.1-M, chapter II and 5 CFR 3102, NAFIs may noncompetitively employ disabled individuals subject to these individuals being certified by the State Rehabilitation Service or the Veteran's Administration. If employment in a NAFI position is proposed, the initial appointment will be on a temporary basis not to exceed 24 months. If at the end of 12-months, management wants to convert the employee, such conversion is authorized noncompetitively. Under no circumstances will any temporary appointment of a disabled individual be extended beyond the initial 24-month period.

211. Physical Examinations. Health standards for Categories A, B, and C personnel will follow the requirements of 5 CFR 339.201. For child care and youth programs, OPNAVINST 1700.9D applies.

a. Selected individuals for positions that have greater than normal environmental or functional requirements should have a pre-employment physical. A SF 78 (Rev 10/69), Certificate of Medical Examination can be used for this. The functional and environmental requirements in the position description should be marked in section four of the SF 78.

b. Selected individuals for overseas positions should also be given a pre-employment physical. This examination should include

(1) functional requirement 35 mental and emotional stability.

(2) environmental factor B26 working closely with others.

(3) any other environmental or functional requirements of the position or geographic location of the position.

212. Background Investigations

a. National Agency Check (NAC). A NAC is required for all NAF personnel assigned to positions of trust. Positions of trust are positions that have been assigned responsibility for cash or inventory values in excess of $5,000. Child care and

youth activity positions also require a background investigation (BI) per OPNAVINST 1700.9D and DODI 1402.5.

(1) Before a NAF employee can be assigned to a position of trust, it must first be determined if the individual has had a favorable prior investigation for prior civil service, NAF, or military service and that there has not been a break in service greater than 12 months between this service and the position of trust assignment. If there has not been a 12-month break in service, there is no need for another NAC.

(2) Favorable NACs must be completed for employees performing work with childcare and youth before they can be left alone with children. These employee's NACs must be updated every 5 years. Childcare and youth NACs shall be processed using the instructions provided by NAVPERSCOM (PERS-659).

(3) Detailed guidance/instructions concerning initiating requests for NACs are provided in SECNAVINST 5510.30A and DOD 5200.2-R of January 1987. NACs for positions of trust may be initiated using the childcare and youth process. The cost for positions of trust will be downloaded to the activity.

b. Verification of a completed NAC will be filed on the right side of the OPF.

c. It is the policy of Naval Facilities Engineer Command (NAVFACENCOM) that all VQ personnel having unaccompanied access to guest/resident rooms will have a background check.

213. Employment and Reemployment Rights of Members of the Uniformed Services. The Uniform Services Employment and Reemployment Rights Act of 1994 (USERRA), P.L. 103-353, strengthened and expanded the employment and reemployment rights of members of the Uniformed Services in private, State and Federal employment, NAFIs included. Persons afforded protection under USERRA include the military veterans as well as members of the Reserve components of the Armed Forces. Under USERRA, eligible servicemembers are protected from discrimination in employment due to military obligations, are guaranteed prompt reemployment in their civilian jobs and are provided protection of those employment rights and benefits. USERRA requires DOL's Veterans' Employment and Training Service to provide employment and reemployment assistance to any Federal employee or applicant

who requires it. Information about the USERRA is also available on the internet. An interactive system, "The USERRA Advisor" answers many of the most often asked questions about the law. It can be found in the "E-Laws" section of the DOL's home page. The internet address is http://www.dol.gov.

a. Veterans' Employment Preference. Preference in employment will be given to veterans who do not have reemployment rights under USERRA and the spouses and parents of deceased veterans at the time of hire over all other applicants provided they are equally qualified. Preference eligibles listed in table 2-2 have priority over veterans' preference. In foreign areas off duty enlisted military applicants also have priority over veterans. Veterans' preference requires that the veteran's discharge or termination of U.S. military service was not less than "under honorable conditions". The individual is required to provide documentation to support the claim for veteran's preference eligibility.

(1) Evidence of Veteran's Preference Eligibility. Official documents issued by the uniformed services, or the Veterans Administration (VA) are required to establish compliance with the requirements for active duty and for separation under honorable conditions, and the following facts, when they are needed:

(a) That active duty was in a war, or in the period 28 April 1952 through 1 July 1955, or more than 180 consecutive days, other than for training, during the period beginning February 1955, and ending October 14, 1976, or in a campaign or expedition for which a campaign badge is authorized.

(b) Existence of a service connected disability or receipt of compensation, pension or disability retirement.

(c) Death of eligible uniformed member in the line of duty in those cases where preference is claimed by the spouse or the parent.

214. Employment of Retired Uniformed Service Personnel

a. Retired members of the uniformed services have every right to seek, and be considered for, civilian employment in NAFIs on the same basis as other applicants; however, there is

an obligation to assure that consideration for positions is extended to all candidates on an equitable basis, in strict compliance with the spirit and fundamental considerations of merit and open competition. Special measures are necessary to comply with DODD 1402.1 of 21 January 1982 and to guard against the appearance that retired uniformed servicemembers are being given preferential consideration. This is essential, not only in the interest of the public and of NAF employees, but to protect such retired personnel from unwarranted allegations that they obtained their positions through influence based upon prior military service.

b. All NAF vacancies that result in the hiring of retired military will be publicized, and recruitment conducted, over a sufficiently long period of time (advertised for a minimum of 2 weeks) to give all interested candidates an opportunity to apply. The qualification requirements for the position will not be written in a manner designed to give advantage to a particular individual or group of individuals. To avoid any suspicion or appearance of preferential treatment, full consideration must be given to qualified current NAF employees per regular promotion procedures. Reasonable efforts to locate other qualified candidates will be made before appointing a retired member of the uniformed services to a NAF position.

c. Positions will not be held open pending the retirement of a member of the uniformed services to provide that person with a preferential opportunity to apply for, or be appointed to the position.

d. If the proposed appointee, or another military incumbent last occupied the position, it must be clearly demonstrated that the proposed change to a civilian incumbency is to meet a bonafide management need, and not merely to afford civilian employment to the proposed appointee.

e. Appointment of retired members of the uniformed services to any NAF position during the period of 180 days immediately following retirement must be accomplished consistent with the intent of DODD 1402.1 of 21 Jan 82. Activities can request a waiver prior to the actual date of retirement, but the retired member cannot be employed prior to their actual date of retirement. They shall not be employed while on terminal leave.

f. Waivers are also required after the 180-day period when

(1) a waiver was previously requested and denied at the same NAFI, and for the same position, which was not otherwise filled.

(2) a retired military member was recalled to active duty at an activity, that subsequently desires to appoint the member as a NAF civilian employee within 180 days of release from recall.

g. Before employing, in any category, a retired member of the uniformed services within 180 days immediately following retirement, prior approval must be obtained from CHNAVPERS (hereby further delegated to NAVPERSCOM (PERS-65). DASN (CP/EEO) is the approving official for appointments to NAF positions under the direct supervision of CHNAVPERS. All requests for approval of a waiver of the 180 day waiting period must be submitted to NAVPERSCOM (PERS-653) in letter format, and include a copy of the individual's application and other documents, and statements as indicated below.

(1) The effective date of retirement from the armed forces.

(2) Rank at time of retirement.

(3) Pay grade and uniformed service at the time of retirement, whether regular or a reservist.

(4) A current application, or resume, completed by the proposed appointee.

(5) Date the position was established.

(6) Date the position was last occupied.

(7) Whether the position was converted from military to civilian status.

(8) Date of conversion, if applicable.

(9) Reason for conversion, if applicable.

(10) Whether the proposed appointee was the last military occupant.

(11) A current PD.

(12) Whether the position is regular full-time, regular part-time, or flexible.

(13) A statement of the qualifications required to perform the duties of the position.

(14) Whether efforts to fill the position have been continuous since it became vacant, if not, the reasons therefore.

(15) A copy of notices and advertisements used to publicize the vacancy.

(16) Documentation on how the proposed appointee is superior to all qualified candidates considered.

(17) A signed statement that methods used in soliciting applications for positions, and sources utilized in developing a supply of applicants for employment consideration (i.e., internal posting, advertising, employment services, priority consideration, priority placement lists, etc.), complied with placement procedures and assured other persons equal opportunity to apply and receive consideration for the position. If this is not the case, explain the reasons.

(18) A specific statement certifying that the position was not held open pending retirement of the proposed appointee.

h. For the purposes of the foregoing, the following terms are defined:

(1) "Armed Forces" The Army, Navy, Air Force, Marine Corps, and Coast Guard.

(2) "Active Duty, Active Service, and Member" have the definitions given them by section 101 of Title 37, U.S.C..

(3) "A retired member of any of the Uniformed Services" A member or a former member of any of the uniformed services,

entitled under any provision of law to retired, retirement, or retainer pay on account of service as such a member.

(4) "Position" means a NAFI civilian office or billet (including the flexible category), the incumbent of which is to serve under appointment.

i. Approval officials must maintain complete case files for actions taken under this authority. The records must be available for inspection and be maintained for 2 years. The requesting NAFI must maintain records of approval of requests to waive the 180-day restriction. A copy of the approval must be maintained in the Official Personnel Folder (OPF).

j. A retiring military individual, who is on terminal leave prior to actual retirement, may apply for and be tentatively selected for employment with a NAFI, but cannot commence work until the terminal leave has been used and a waiver is received.

k. As an exception to the 180 day rule, active duty enlisted military personnel who retire from military service while working off duty for a NAFI may continue in the same appointment upon retirement provided the employee is either a flexible or part time employee, been employed for at least 90 days prior to their retirement, there is no change in the employment category, and the employment category remains the same for a minimum of 180 days after the date of retirement.

215. Employment of Minors. The employment of minors, ages 14 and 15, is authorized by DOD 1400-25.M, SC 1403. The employment of all persons less than 18 years of age will follow published State and local standards and requirements, and the FLSA. Such persons may not be employed in or assigned to positions that are hazardous or detrimental to their health or positions in child care services. The State and municipality laws concerning minors handling intoxicating beverages will be observed.

216. Employment of Relatives

a. General. The employment, appointment, or promotion of relatives of commissioned officers, COs, XOs, noncommissioned officers, and civilian officials who hold administrative positions in which they exercise jurisdiction or control over the employing NAFI is prohibited. Such officials may not

advocate a relative's appointment, employment, promotion or advancement anywhere within DOD. This policy is consistent with the provisions of 5 U.S.C., 3110. This policy does not prohibit the exercise of reemployment rights after military service as provided by the Military Selective Service Act of 1967 as amended.

b. A NAFI activity may implement a stricter policy that further prohibits the employment of relatives. Care must be taken to insure employment decisions adhere to the principles of ethical conduct in DOD 5500.7-R of August 1993. For example, a policy may provide for the employment of relatives provided an employee is neither under the direct supervision of a relative, nor assigned to the same department as a relative. It must be emphasized that while the NAFI has some latitude in this area, the policies adopted must be consistent with the EEO laws prohibiting discrimination on the basis of sex and marital status, as well as merit system principles. Public officials should leave themselves a wide margin of safety insofar as advocating, recommending, or referring anyone including relatives is concerned. They should avoid any appearance of nepotism. Public officials should also avoid any action, which might result in, or create the appearance of, preferential treatment to any person.

c. For purposes of interpretation regarding the above, "relative" includes: father, mother, son, daughter, brother, sister, uncle, aunt, first cousins, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brothers, or half sisters.

d. For questionable situations, guidance should be requested from the local ethics office.

e. To avoid the perception of favoritism, heads of NAFIs shall be sensitive to ensuring that relatives of NAF employees, who are offered NAF employment, meet all qualifications requirements listed in the vacancy announcement and the PD, and that competitive procedures are fully followed during the selection process.

217. Probationary Period for Regular Employees. There are two types.

a. New Hire Probation. A 1-year probationary period is required for a person appointed to a RFT or RPT position in a NAFI. During the probationary period, the employee's conduct and performance in the actual duties of their position is observed, and they may be separated without undue formality if circumstances warrant, i.e., terminated at any time for any reason. This is a testing period to determine that the individual will be an acceptable Federal employee. Any time during this period that the individual's performance or conduct indicates that the person may not be an acceptable Federal employee, the employee shall be terminated during the probationary period. The only acceptable reason for extending a probationary period is to make up non-paid time that occurred during the probationary period.

(1) The length of the probationary period will be 1 year for all regular positions.

(2) A flexible employee who is changed from flexible to regular without a break in service to a position in the same title, pay plan, series, and grade as their flexible position will receive credit toward completion of the probationary period for the flexible service performed in this same NAFI and this same position.

(3) Only one probationary period will be required for a NAF employee except

(a) when a break in service of more than 6 months occurs. The employee will then be required to serve a new full probationary period.

(b) when a former regular employee is rehired within 6 months of separation in the same or similar duties, and completed only a portion of the required probationary period during the first period of employment, that portion will be credited to the employee.

b. Supervisory or Managerial Probation. A 1-year supervisory probationary period is required for supervisors and managers the first time they are appointed to a supervisory or

managerial position. During this probationary period, new supervisors and managers shall receive training on supervisory/managerial functions. Managers and supervisors may not continue in the supervisory or managerial position if they do not satisfactorily complete the supervisory probationary period. If possible, these employees should be returned to their previous non-supervisory grade level if failure occurs. When employees are returned to their previous grade level during the supervisory or managerial probationary period, their pay may be adjusted to the previous non-supervisory rate at management's option. Returning employees to their previous grade and pay level during the probationary period is not grievable or appealable.

218. Designation of Beneficiary for Unpaid Compensation

a. Each NAF employee must complete a NAVPERS 12800/1 (02-03), Beneficiary Address and Marital Status Designation and Change Form. The employee shall update this form as needed. It is recommended that an annual reminder be sent to employees concerning this. Employees who designate minors as beneficiaries should be reminded that this designation might not be complied with if they have not made the legal arrangements required by State law.

b. The original NAVPERS 12800/1 will be filed on the right side of the employee's OPF, and a copy will be given to the employee. The back of the form provides instructions for completion. When designating more than one beneficiary, the percentage to be paid to each must be specified on the form, not to exceed 100 percent in total.

219. Performance Appraisals

a. Policy. The contents of this section apply to all incumbents of civilian NAF positions.

(1) Since employee performance is the key to the success of any organization, the importance of a performance appraisal cannot be overstated.

(2) Managers/supervisors who fail to evaluate their employees, as required, could jeopardize such employees continued employment or salary rates. Managers must give a

performance appraisal the highest priority in fulfilling their supervisory/managerial tasks. Employees may take action, i.e., grieve, if necessary), the untimely or total absence of required and scheduled performance evaluations.

(3) The immediate supervisor shall inform all newly hired employees of the supervisor's performance expectations and provide the employee with a copy of the appraisal form during the employee's indoctrination process. The indoctrination will also include a complete explanation of the various appraisal uses and its importance to the employee's work life with the organization.

b. The Performance Process

(1) NAVPERS 5300/17 (03-03), Navy Nonappropriated Fund Employee Performance Rating Form shall be used to evaluate the performance of NAF employees. An explanation of the contents of the form and its use can be found on the reverse side of the form. There is also a place for the supervisor to add additional appraisal elements as needed. This is the only form authorized for use.

(2) All NAF employees, regardless of an employment category, must be given a performance evaluation annually by the use of the NAVPERS 5300/17. Each element and an overall rating of outstanding; highly satisfactory; satisfactory; or less than satisfactory will be given. If there is a rating of less than satisfactory on any one performance element, the overall performance rating shall be less than satisfactory.

(3) On completing the appraisal form, managers/supervisors must recommend whether or not pay band employees are to be afforded pay increases/awards. Pay increases and cash awards must have two levels of approval unless the CO is the issuing official.

(4) Supervisors will verify accuracy of the employee's PD during the annual review and inform employees of any changes in performance expectations for the coming year. This PD review is documented on the supervisors file copy of the OF-8 (Rev. 1-85), Position Description.

(5) Annual performance ratings are valid for a period not to exceed 14 months, i.e., 425 days from the date of formal approval. The reason for the 60 additional days, beyond the 1 year from the date of last annual performance rating, is to allow management time to do the next scheduled annual rating of the employee. In the event the old rating elapses and the supervisor fails to do this rating within this time frame, a presumptive duplicate rating will be prepared if needed for a BBA action.

(6) Within 2 weeks of completing 90 days on an activity's rolls, new employees will be provided with a completed appraisal by use of NAVPERS 5300/17. This 90-day evaluation is not used as an annual evaluation in the BBA process.

(7) Employees, without an annual appraisal, are provided with a "presumptive" satisfactory rating until they receive their annual rating.

(8) Ratings for dependability shall not be based upon attendance or usage of approved leave. The employee cannot be adversely impacted by usage of approved leave. Absences without approved leave are handled as conduct issues.

(9) Supervisors may elect to reevaluate an employee's performance at any time that they determine that the performance has changed enough to justify reevaluation.

(10) Transferring employees shall be given a close out rating.

(11) Appraisals and the BBA Process

(a) Only annual appraisals are used in the BBA process. When taking BBAs, performance appraisals used to arrive at the BBA decisions must be at least 90 days old (i.e., have been signed 90 days prior to the formal announcement of management's decision to take the needed BBAs). This 90-day requirement means that management cannot change a rating and then immediately conduct a BBA based on the new rating.

(b) Presumptive ratings equal to the most recent record of annual rating are granted to employees for use in BBA

actions when, due to management failure, inaction, or reasons beyond the control of the employee, only one valid rating of record is found in an employee's OPF. Such situations occur when an employee has been assigned to a NAFI for a sufficient duration to have received at least two annual performance ratings. Since, under such circumstances, an employee could be adversely impacted through no fault of their own by being granted a presumptive rating of satisfactory, such ratings are not given under these circumstances. Instead, the presumptive rating granted for BBA actions under these circumstances will be identical to that of the most recent performance rating of record. In all other cases, presumptive ratings will be satisfactory ratings.

(12) Pay Increases/Cash Bonus

(a) Management may decide to give a pay band employee a pay increase or a cash award based on performance at any time deemed appropriate, however, in no case will individual pay increases exceed 15 percent of pay per year. The NAFI pay policy shall state whether this year time frame is a calendar year or a fiscal year. Pay increases and cash awards require two levels of approval. These checks and balances have been added because an Inspector General (IG) review indicated that some individuals were hired at a low rate of pay in an effort to restrict competition and then were quickly given significant pay increases. This type action does not comply with merit principles and shall not be permitted to occur.

(b) The recommending supervisor shall consult with the approving official prior to discussing either the appraisal or pay matters with the employee.

(c) When giving a pay increase or a cash bonus one of the following methods of documentation will be utilized.

(1) Complete an interim NAVPERS 5300/17 indicating the amount of the pay increase/cash bonus. Use the remarks section to document the reason for the increase.

(2) Prepare a memorandum justifying the increase or bonus.

(d) The justifying performance appraisal or memorandum will be sent to the personnel office to implement the change and forward to payroll. The pay adjustment should be effective the first full pay period after the second level supervisory approval date if received in personnel on a timely basis. The remarks column of the form should be used to explain the reason for such increases.

(e) NAFIs shall establish their own administrative and control processes over such matters. Such processes shall have sufficient internal controls to insure the integrity of the process.

(13) C&T employees can only receive a cash bonus. C&T cash bonuses will be documented as above. Guidance on regular step increases for C&T employees is in appendix A.

c. Less than Satisfactory Performance. When a regular, non-probationary employee's performance is viewed or considered to be less than satisfactory, the following will apply:

(1) A letter of caution must be issued to the employee that reflects written determinations and documentation by management about the unsatisfactory performance of the employee. Such letters represent non-disciplinary, non-adverse action and are neither grievable nor appealable. A letter of caution will not be included in the employee's OPF unless it is subsequently used as a basis for performance related disciplinary action.

(2) If the determination occurs while preparing the annual performance evaluation, the annual rating will be delayed until the letter of caution has been issued and the specified remedial period has been completed.

(3) Each letter of caution, based on performance, must

(a) state the employee's performance shortcomings.

(b) state specifically the performance levels that must be met, or corrections made, in order to achieve a satisfactory level.

(c) set a definite remedial period of reasonable duration of 30 days or more. This time frame depends upon such

factors as the nature of deficiencies, type of position, etc. It should not appear that management is hurrying the process. Instead, a reasonable amount of time, relative to the type of position involved, and correction/improvements that must be made, need to be considered in establishing such time frame. During this time, the employee must demonstrate at least satisfactory performance. The remedial period may be extended if appropriate but it may not be terminated early.

(d) state that reasonable assistance will be offered by the employee's supervisor. The type of assistance to be given should be listed.

(e) state that improvement must be sustained.

(f) state that failure to improve may result in demotion, removal or reassignment.

(4) If upon completion of the remedial period, the employee's performance meets the requirements for satisfactory or higher performance as stated in the letter of caution, the employee will be issued a NAVPERS 5300/17 reflecting this level of performance. The employee will also be notified in writing that similar deficiencies in performance occurring within the next year may result in an adverse action based upon unsatisfactory performance. This adverse action may be completed without the issuance of another letter of caution, or establishment of another trial period. If this occurs, issue a severe disciplinary action decision letter with at least 14-days before the effective date of the action. The decision will reference the letter of caution and other records as well as citing the specific performance problems that have reoccurred.

(5) If, upon completion of the remedial period, the employee's performance is still deemed as "less than satisfactory", then demotion, removal, or reassignment action shall be taken. Reassignment should only be to a position that management has some assurance that the employee can perform satisfactorily. The employee will be issued a NAVPERS 5300/17 that reflects the unsatisfactory rating. If management decides to reassign the employee, (i.e., place them in another position within the same pay band or grade without loss of pay), such reassignment are made at management's discretion by use of a management initiated SF 52. In such instances, the employee

does not have a right to grieve or appeal the reassignment action. If, however, management decides to either separate or demote, based upon the unsatisfactory performance, a severe disciplinary decision letter will be issued with the unsatisfactory NAVPERS 5300/17.

(a) In this situation, the letter of caution, which must be given for at least 30 calendar days before final reevaluation of the employee's performance, meets the 30-day minimum notice of separation for performance action. The letter of caution also substitutes for the proposal letter for a severe disciplinary action.

(b) Management will issue the final decision letter at the completion of the remedial period when the unsatisfactory performance rating is issued. The letter of decision will include a statement justifying the final less than satisfactory rating and identifying the performance requirements listed in the letter of caution that the employee failed to meet and what action was taken to assist the employee in improving. The decision letter will also inform the employee of the specific corrective action to be taken, of the effective date of the action, and of the appeal rights. Severance pay is not authorized under such conditions. The head of the NAFI will sign decision letters concerning "less than satisfactory" employee performance.

(6) Probationary and flexible employees may be terminated for performance reasons without the issuance of a letter of caution.

d. Grievances of Performance Appraisals

(1) An employee may grieve the overall performance rating, or the rating of an individual factor. When grieving performance, the employee shall provide written justification as to why the rating should be different. For ratings of satisfactory or above the burden of proof rests with the employee. An employee may also grieve a supervisor's failure to provide a timely appraisal of performance. Grievances must be filed within 7 days of receipt of the rating. In cases where the issue concerns the supervisor's failure to issue a timely performance rating, the grievance must be filed within 7 days of the expiration date of the current, or last annual rating. This

time may be extended when the employee has not been informed in a timely fashion as to the date of their next rating. Management should consider a supervisor's use, or neglect of the appraisal rating process during overall annual performance evaluation of each supervisor/manager.

(2) Grievances of employees who are not part of a recognized bargaining unit will be processed using the administrative grievance procedures outlined in appendix E.

(3) Employees who are part of a recognized bargaining unit must use their negotiated grievance procedures.

220. Employee Resignation

a. Resignation is a separation in response to an employee's request for the action. It is a voluntary expression of the employee's desire to leave the organization. An employee is free to resign at any time and to set the effective date of the resignation. The employee is not required to give advance notice, although most NAFIs would prefer to have a minimum of 2 weeks written advance notice to allow for a replacement or work adjustment. The NAFI may point out the desirability of another date, but it may not arbitrarily set another date and have the action remain a voluntary resignation.

b. Employing personnel offices will ensure that an employee does not experience a break in service when moving, or transferring between NAFI organizations, and when moving between NAF and APF positions. The avoidance of breaks in service is necessary to ensure employees are extended entitlements under the portability and interchange legislation. Portability entitlements cannot be given when there is more than a 3 day break in service. The DOD/OPM Interchange Agreement cannot be used if there is more than a 1-day break in service. To ensure that NAF employees are afforded necessary protection, the following procedures will be utilized by servicing NAF personnel offices:

(1) The losing personnel office will contact the gaining personnel office to work out an agreeable "drop" date and "pickup" date assuring that no break in service takes place. Portability procedures are contained in appendix F.

(2) The normal drop date will occur on the last day of the pay period (need not be a workday). Correspondingly, the pick up date will normally be the first day of the new pay period. Again, this day need not be a workday. These 2 days, Saturday and Sunday, are normally the beginning and end of an administrative workweek. Irrespective of what days are used, servicing personnel offices are responsible for ensuring that no break in service, (i.e., 1 or more calendar days), takes place when a NAF employee moves to a NAF position in another organization, or during a move from NAF to an APF position.

(3) Once an employee submits a written resignation (signed part E of SF-52, Request for Personnel Action or similar notification). The employee may not rescind the resignation without management approval.

(4) Verbal resignations may be accepted if necessary. When a verbal resignation is accepted, a written record of the conversation will be made and a copy of the written record will be sent to the employee and attached to the resignation SF-52.

221. Field Recruitment Assistance. Upon request NAVPERSCOM (PERS-653) will provide recruitment assistance including assistance in identifying qualified potential candidates for vacant positions.

222. Employee Records and Files

a. SF-52 or Electronic SAP Substitute. This is the form that management uses to request a personnel action. All appropriate boxes will be filled in for personnel actions (i.e., recruitment, employment, promotion, termination, etc.). The manager with delegated authority to take the action will sign the approval block on the SF-52. The CO must sign SF-52s involving the head of the NAFI. The SF-52 will be used to prepare the PAR. A copy of the SF-52, PAR and PD will be filed in the OPF and the vacancy recruitment file of competitive actions. The SF 52 is also used by employees to submit voluntary resignations.

b. File Maintenance. Maintenance of employee records must conform to the provisions of SECNAVINST 5211.5D concerning the Privacy Act of 1974. The Privacy Act Statement for NAF applicants is as follows:

"Authority to request this information is derived from 5 U.S.C. 301, Departmental Regulations. The purpose of this information is to determine the qualifications, suitability, and availability of applicants for employment with a NAFI, and of current employees for reassignment, reinstatement, transfer, or promotion. The information will be used to assess qualifications, entitlement, and overall employment suitability. Completion of information on this form is voluntary. Failure to provide this information may prevent you from receiving full consideration for the position you seek."

c. OPFs. NAFIs shall comply with the requirements of the "OPM Guide to Personnel Record Keeping". This guide can be found at http://www.opm.gov.feddata/persdoc.htm. This guide states that a suitable folder no larger than 9 1/2 by 11 3/4 inches will be utilized as a personnel file for each employee. If available, the OPF currently utilized by civil service civilian personnel offices is ideally suited for this purpose. The tab insert will be plainly marked and contain the following items:

(1) The employee's name, flush with the upper left top margins, last name first, then a given name, followed by the first initial of the middle name (if any), and then SR, JR., or numerals of name, if appropriate.

(2) To the right of the name, insert the date of birth expressed as month, day, and year in six numerals (01-20-71).

(3) Enter the employee’s SSN under and flush with the last name. The SSN must be entered for all U.S. citizens, and for all foreign nationals employed in the U.S., its territories and possessions. For local and third country nationals employed in foreign areas, instead of an SSN enter the "FNO" (foreign national overseas) under and flush with the last name. Oversized documents will be folded so as not to extend beyond the edges of the folder.

(4) Personnel files will be maintained alphabetically for both active and inactive categories of personnel and stored in locked metal fireproof cabinets. The active personnel records are to be segregated from the inactive records. OPFs

shall only be maintained in the personnel office. Access to OPFs is on a need to know basis.

(5) Each personnel file will contain all the essential information concerning the employee. Government standard forms will be utilized. If a government standard form does not exist for the purpose desired, a locally originated form may be used.

(6) The right side of the OPF is reserved for long term permanent documents. The following applicable permanent records will be maintained on the right side of the personnel folder in chronological order:

(a) Application for Employment. Applicants for NAF positions may use an appropriate application, or resume. The applicant should indicate that the application is for a NAF position. In addition, if applicable, a statement concerning naturalization, application for waiver of the 180-day restriction on employment of military personnel subsequent to retirement, and the approval letter from NAVPERSCOM (PERS-653), will be filed with the application.

(b) NAF Personnel Actions. NAVPERS 5314/2 or the electronic SAP version.

(c) Security Clearance. Certificates of Clearance, satisfactory completion of NACs and Personnel Security Investigation, Clearance, and Access.

(d) Benefits enrollment documents identifying the coverage elected non-participation elections, etc.

(e) Evaluations. NAVPERS 5300/17.

(7) Military Orders. Certified copy of completed military orders for any annual active duty tours with reserve components.

(8) Discipline. Letters of reprimand for 2 years after issuance, and PARs documenting suspensions and terminations. All other disciplinary action documents are to be filed separately.

(9) Miscellaneous Material. Letters of resignation retirement requests, or notices of termination, correspondence or documents relating to unemployment compensation, including the SF-8 (06/1987), Notice to Federal Employees about Unemployment Insurance on termination and BBA letters.

(10) Initial workers' compensation claim, and disability claims are normally kept in a separate medical file. The medical certificate, or statement, as to the employee's physical fitness for employment, or other periodic statements as to physical fitness. (This record is normally maintained in a separate medical file).

(11) Check-in/check-out sheets, employees signed statement acknowledging receipt of tools, uniforms, ID pass or gate pass, a car decal, etc., relating to an individual will be filed on the left side of the personnel folder. The left side of the OPF is used for temporary documents.

(12) When an employee has been placed on military furlough status for the purpose of entering the armed forces of the U.S., it is mandatory for the NAFI to facilitate restoration and preserve reemployment rights granted in law. The OPF of such employees will be placed in proper order and filed with proper identification in the active personnel file, along with updated leave and pay records. Upon determination that the individual will not seek, or is not eligible for restoration, the records will be placed in the inactive file.

(13) Transfer of Employee's Record. The OPF of employees transferred or terminating employment, and being re-employed by another NAFI, will be forwarded to the new employing activity within 5 calendar days after receipt of notification and a copy of the pickup PAR or SF-50 from the new employer of the address to which record is to be sent. Use NAVPERS 5300/14 (Rev. 03-03), Request for Nonappropriated Fund Folders to request OPFs from another office. All extraneous matter will be removed from the OPF prior to forwarding. The record should be forwarded via U.S. mail, certified with return receipt requested to the new employing NAFI, or hand carried.

(14) Personnel Records Disposition. On termination, the record of the employee concerned will be placed in the inactive

file and retired. The following will be observed in preparing folders for shipment:

(a) The date of separation on the tab (e.g., terminated 12-20-96) under the name and ten spaces to the right of the completed SSN.

(b) All material on the right side will be reviewed to ensure that it is of a permanent nature and that termination and other permanent papers are included and fastened securely.

(c) With the exception of the leave record, which will then be placed on the right side of the personnel folder, all other material on the left side of the folder will be reviewed. If permanent in nature, it will be placed on the right side; if temporary in nature, it will be removed, placed in the general files, if appropriate, or destroyed.

(d) The face of each OPF must be marked or stamped, in bold letters, with the words "NONAPPROPRIATED FUND" to ensure proper handling, and forwarded by mail to the National Personnel Records Center, (NPRC) Civilian Personnel Records (CPR), 111 Winnebago Street, St. Louis, MO 63118-1528. Additional directions for NAF records disposition are contained in chapter 15 of this manual.

(15) Reemployment. The individual's OPF will be requested from NPRC (send request in duplicate) or former NAFI employer, as appropriate. The request will contain the date of request; the full name of the employee; the date of birth; and the SSN. The request shall be sent to: NPRC (CPR), 111 Winnebago Street, St. Louis, MO 63118-1528" or the personnel office at the last place of employment. Include any other information that will assist in identifying the individual. Be sure to include your return address and phone number.

(a) Should the results of a request to NPRC for the personnel record be negative, further inquiry should be addressed to the former employing office. This procedure should be reversed if initial inquiry to the former employer is negative. If the former employer advises that the OPF was forwarded to NPRC, full information concerning this action should be provided to the inquirer, including the date on which the personnel record was mailed.

(b) In the event NRPC, or the former employing office, cannot provide the OPF, the individual employee is responsible for producing acceptable proof of employment with a previous NAFI, i.e., W-2s, copy of PARs, payroll information, etc.

223. Advertising for Projected Vacancies. While management has always had the authority to advertise for projected vacancies, the pay banding system has added a feature that makes this approach a useful tool. The key to this approach is that management may fill positions in a pay band, with incumbents of that same pay band, on a noncompetitive basis. The following provides an example of this scenario:

EXAMPLE

a. Management has studied its turnover rates and determines that within the next 6 months they will have the following vacancies:

Positions	Pay Band
NF-0188-04 Recreation Specialist	4
NF-0189-02 Recreation Assistant	3

b. With this projected turnover, management could place one (or more announcements) showing all projected vacancies, and restrict the area of consideration to: "All Navy MWR activities in the organization's commuting area." The area of consideration could be further refined by making it "Navy employees in a pay band (an appropriate band) in the commuting area of the Navy activity", i.e., making it a noncompetitive announcement.

c. The announcement will state that it is lead-time recruitment against projected vacancies. Management would require a job application, a recent personnel action showing current salary and a recent evaluation from interested applicants.

d. As vacancy dates become known, management can rate applications using the crediting plan to determine the BQ applicants. Selections could then be made. The flexibility in being authorized to select incumbents of a pay band on a noncompetitive basis allows management some discretion in

filling vacancies rapidly, and also allows management to fill vacancies with little or no job time vacancy.

224. Types of Personnel Actions

a. New Hire Action. An individual who meets all of the required qualifications and physical abilities and other position requirements and has been properly selected utilizing competitive procedures, reinstatement or emergency hire processes and has been processed by the personnel office.

b. Promotion. A promotion occurs when an employee is moved from a position in one pay band to a higher pay band. Upon promotion to a higher NAF NF pay band system position, the individual must be given an increase of at least 5 percent of their pay, or that amount equal to the beginning rate of the band to which promoted, whichever is greater. Promotions involving Child Care (CC) pay band positions require that the individual be given an increase of at least 6 percent or that amount equal to the beginning rate of the band to which promoted, whichever is greater. CC promotions include changes from CC-I (GSE-02) to CC-I (GSE-03) and from CC-I (GSE-03) to CC-II (GSE-04).

c. Temporary Promotion. A temporary promotion occurs when a pay band employee is moved from a lower to a higher pay band for a specified period of time. Temporary promotions may be made for up to 6 months on a noncompetitive basis, and up to 2 years on a competitive basis. Temporary promotions beyond 6 months time frame must be made through competitive procedures. Persons promoted on a temporary basis must be given the normal promotion pay increase until the temporary promotion ends. Then the employee's pay is reduced to where it would have been without the temporary promotion.

d. Career Progression. Career progression positions with known grade level promotion potential shall be competitively advertised rather than filled by reassignment action to ensure fairness and to provide an opportunity for other qualified candidates to apply for the position.

(1) Career Promotions. A career promotion (pay band increase) is the promotion of an employee without current competition when competition was held at an earlier date and the

employee was appointed to an entry or intermediate grade level position designed or intended to prepare them for the higher graded full performance level of the position being filled. An activity may make successive noncompetitive promotions of such an employee until the full performance level of the career series or occupation is reached as long as the promotion potential was included in the initial vacancy announcement.

(2) Developmental Positions. This is when a position is reduced in grade for recruitment purposes. The individual is competitively selected into the position in a lower pay band. Upon successfully completing training, or otherwise meeting the qualification and performance requirements of the target grade, the incumbent holding such positions may be noncompetitively promoted to the higher or full performance pay band. Positions that call for noncompetitive movement to higher pay bands must be clearly announced as jobs having the potential to move to a full performance level/higher pay band upon meeting management's stated requirements. The full performance level pay band, position, and title will be shown in the announcement.

(3) Employees in positions meriting reclassification to a higher grade due to the addition of duties and responsibilities that are the result of planned management action or gradual accrual of duties may be promoted noncompetitively when the following conditions are satisfied:

(a) Employee will continue to perform the same basic function(s) of the former position as well as the new duties assigned.

(b) Addition of the new duties and responsibilities will not adversely affect the grade of another occupied position.

(c) Additional duties and responsibilities do not change a former non-supervisory position into a supervisory position.

(d) Employee meets all requirements for promotion to the position.

(e) There are no other employees performing the same duties as the employee.

e. Detail. A detail is a noncompetitive, temporary assignment of up to 6 months of a pay band employee to another position in their assigned pay band, or to a position in a lower pay band/level. Employees who are detailed to a position at the same or lower pay band/level as the one from which assigned shall continue to be paid at their regularly scheduled rate of pay. Incumbents of a position in a pay band may not be detailed to positions in higher pay bands. Such actions, if needed, must be accomplished by use of temporary promotion procedures. A PAR will be prepared for each detail of more than 30 days. An employee does not have to meet formal qualification requirements for a position to be detailed to the position except for any minimum education licensure and certification requirements. Time spent in details is considered qualifying experience and will be so credited during qualification determinations.

f. Reinstatement. A former and otherwise eligible NAF employee may be reinstated/rehired to any NAF position on a noncompetitive basis as long as the

(1) employee's separation was not for cause.

(2) employee did not resign while under oral or written notice of management's intent to propose separation for cause.

(3) vacant position is in a pay band, grade level or employment category no higher than the pay band previously held by the employee. Reinstatements to a higher pay band, grade or to a higher employment category (flexible to regular) must be made on a competitive basis.

g. Denial of Employment

(1) Any employee terminated for cause will not be reinstated or re-employed in any NAFI. COs may request a waiver of this provision via the chain of command from NAVPERSCOM (PERS-653) for individuals who have been separated for more than 1 year. The request for waiver shall be in writing and include justification to support the conclusion that the person is fully suitable for Federal employment in the position being filled.

(2) The CO must approve the employment if an applicant has been convicted of

(a) a felony (crime declared a felony by statute or one for which a penalty sentence can be adjudged).

(b) a misdemeanor involving moral turpitude (conduct contrary to accepted standards of conscience or moral law, involving vileness of principle, words, or action).

(3) Rehabilitated offenders may be hired for jobs for which they are needed and qualified. Each selection for appointment of a rehabilitated offender will be judged on its own merits and the decision to hire such an individual shall be approved in writing by the CO.

(4) Employment may be denied to, or terminated for, any person who has presented false or misleading information or failed to fully disclose any potentially adverse information on any of the employment or background investigation forms.

(5) Employment may be denied to any person who was discharged from the Armed Services of the U.S. under other than honorable conditions. The CO must approve appointment of these individuals in writing after full review of the specific circumstances involved in each case.

h. Reemployment of Retired NAF Employees

(1) Individuals who are drawing a BUPERS NAF retirement are eligible for rehire as a flexible employee for up to 60 days or for an indefinite period if their hours of work do not exceed an average of 19 hours per week. If a NAFI determines that the reemployment of a MWR NAF retiree is necessary beyond these parameters a written request for waiver may be submitted to NAVPERSCOM (PERS-653). Approval of the waiver may require the individual to stop receiving their NAF retirement while employed.

(2) Individuals who have changed between APF and NAF must stay in the retirement system that they elected to stay in if they have made an irrevocable election. An individual who makes a change between APF and NAF is making an irrevocable election if they make an election to stay in the retirement system that they are leaving.

(3) Individuals who have worked only in the competitive service and have never worked in NAF may be employed in NAF without any impact on their APF retirement. However APF retirement reemployment rules shall apply if they have previously worked in a NAFI and have made an irrevocable election to remain in an APF retirement plan. Reemployment into Federal service in this type situation will be under the re-employed annuitant guidelines.

(4) Retirees from other DOD NAFIs may be employed and continue to draw the non-NAVPERSCOM NAF retirement. None of their service in the non-NAVPERSCOM NAFI will count.

i. Reassignment. This is a management initiated action that represents the movement of a NAF employee from their assigned position description to another position description of the same grade, employment category and rate of pay. Reassignments can also be used to change the organizational location of the employee within the same NAFI. The employee must meet the qualifications for the new position. The new position cannot be a position with known promotion potential or of a higher employment category than the employee's current pay band or grade. Management maintains the right to reassign its employees and such movements may be made on a noncompetitive basis. Heads of NAFIs will carefully review all reassignments and justify in writing for the selection file the reason why the specific individual was selected non-competitively for the position if the position is a highly desirable position or if the individual is going to receive an immediate pay raise as a result of the position change. A change to a higher pay band, grade or employment category must always be competitive.

j. Transfers. The movement of a NAF employee from one NAFI to another, without a break in service, while remaining in the same pay band and the same or lower employment category. Such movements may be made on a noncompetitive basis as long as all special preference program requirements are complied with.

(1) Pay adjustments may occur during such actions.

(2) The head of the NAFI shall document the incumbent's qualifications for the new position, either by memorandum or a new application for employment from the incumbent, prior to the

reassignment as well as the reason why the individual was selected noncompetitively.

(3) All PDs must be written and approved prior to the reassignment and kept current thereafter.

k. Voluntary Changes of Position in the same or to a Lower Pay Band or Grade or Employment Category. Management may accept voluntary requests from employees in higher pay bands, grades or employment categories, and make selections from these requests for positions in the same or in lower pay bands or grades on a noncompetitive basis. In such cases, the employee must meet the minimum qualification requirements of the new position and the change cannot be to a desirable position.

l. Changes in employment category or grade and reassignments involving pay increases shall be competitive. This includes changes between part-time (PT) and full-time (FT) and regular and flexible. Changes to a lower grade or employment category may be processed noncompetitively as voluntary actions if the employee makes a written request.

m. Changes that adversely impact PT or FT employees are normally processed as BBAs or using disciplinary procedures.

n. Changes in hours that do not change the employment category, changes from scheduled flexible to unscheduled flexible or from unscheduled flexible to scheduled flexible do not require competitive procedures or BBAs and are not adverse (disciplinary) actions.

225. Training and Development. The purpose of training is to improve the Knowledge, Skills, and Abilities (KSAs) that relate to successful job performance in an employee's current position. This will ensure that patrons of the activity will receive quality service. Training should promote operational efficiency and a safe working environment. Training programs may also provide employees with opportunities for continuous personal development.

a. Responsibility for Training. NAFIs will provide continuous training opportunities for all employees. Training is the responsibility of management at all levels of the organization.

(1) On the Job Training (OJT). Most training will be given on the job. An employee should be provided with instruction and demonstration before the employee performs a task. Close supervision is necessary to determine whether further training or other action is required. Training may be accomplished, within the work schedule, by individual or group instruction. Audiovisual aids may be used to supplement instruction, but not as a substitute for actual training.

(2) Formal Training. Managers shall inform their employees of available formal training courses. Selections for such training will be made in an equitable manner among all qualified employees. Training will be arranged in priority order of benefit to the NAFI and funded in priority order to the extent funds are available.

(3) Initial instruction and subsequent annual refresher training in food sanitation will be given to all food services supervisory personnel, and food service workers employed in food service operations including civilian cafeterias per SECNAVINST 4061.1C.

(4) The U.S. Department of Agriculture (USDA) Graduate School offers a variety of executive seminars and technical and administrative training courses. They are a good source for professional and technical training. Information on USDA courses can be found at http://www.grad.usda.gov. Activities expecting to negotiate agreements with labor organizations should encourage their personnel to attend labor relations seminars.

b. Executive employees may join professional organizations or associations and participate in their training programs. When approved by the CO, the cost of this training and related expenses not paid by the organization or association may be paid with NAF by the employing NAFI. Individual membership fees in professional organizations are a personal expense and may not be paid from NAF. A NAFI may obtain official organizational membership that can be paid with NAF. NAF employees may act as liaison (i.e., a non-voting and non-decision-making role) to non-Federal entities. Non-Federal entities include organizations like the National Recreation and Parks Association (NRPA) with which NAF employees have had long-standing working relationships. Requests to serve in a liaison capacity must be

approved in writing by the command ethics advisor. NAF employees may participate in the management of a non-Federal entity (e.g., president, vice president, board member, etc.) only if it is done on personal time, at personal expense, and in a personal (vice organizational) capacity. A NAF employee may not take on a mixed role of serving as liaison, and also serve in a management capacity for a non-Federal entity.

c. Reimbursement for Training. NAFIs may establish NAFI wide programs to provide regular NAF employees educational assistance for tuition, laboratory and other instructional fees. Unlike training that is identified by management, this policy applies to mission related courses that employees desire to attend for self development at accredited institutions of their choice on a voluntary basis, regardless of the funding source. This type educational assistance program when offered shall include at least the following guidelines:

(1) This assistance will not be provided in whole or in part for courses that the employee is receiving other Federal or State tuition subsidies such as VA educational benefits, scholarships or grants, etc.

(2) Courses are normally taken on a voluntary off duty basis. If courses are not available during off duty hours, the employee must take leave or arrange for a schedule change subject to applicable regulations, local provisions, and approval by the employee's supervisor.

(3) Limits may be placed on the dollar amount that will be reimbursed.

(4) Reimbursements will be taxed as required by Internal Revenue Service (IRS) regulations.

(5) Tuition assistance will be paid by one of the following methods:

(a) Payment will be made direct to the academic institution if a billing procedure is established.

(b) The employee will pay the academic institution and submit a claim for reimbursement upon successful completion of the course(s).

(6) Successful completion requires a grade of a "C" or better for undergraduate courses, a grade of "B" or better for graduate courses and "Satisfactory" for courses that have no letter grade. The employee shall provide a valid written grade report to the employee's supervisor and include it with the request for reimbursement. This shall be done within 30 days of completing the course.

(7) If the employee fails to complete a course successfully, the employee shall reimburse the NAFI all costs paid to the employee. The NAFI may also restrict the employee's future participation after an unsuccessful completion.

(8) The employee must sign a written continued service agreement to work for the NAFI for at least three times the length of the training. The continued service time begins at the completion of the training. The minimum continued service time for a semester hour is 1 month. If the employee fails to fulfill the continued service agreement, the employee will reimburse the NAFI for the cost related to all remaining time. The head of the NAFI may waive the reimbursement if justified.

d. Record of Training. Training received, including food handling in the case of individual employees, will be made a matter of record for all NAF employees. OJT will also be made a matter of record, to include the specific types of training completed, the length of time involved, and actual hours or days, including dates. DD 1556 or some other acceptable record should be utilized to record the training and maintained as a permanent part of the employee's OPF upon completion of the training. It is the employee's responsibility to submit a record of the training to the personnel office.

226. New Employee Orientation/Indoctrination. First impressions are lasting impressions. Most new employees are nervous about beginning a new job. The personnel office and the employee's supervisor need to welcome the employee and use the welcome process to reduce the employee's anxieties so that they can begin to learn. It should also focus on policies and regulations affecting the employee's job. Indoctrination also imparts general information that the manager has determined will be mutually helpful to the employee and the activity. First-line supervisors are responsible for indoctrination.

Orientation to the job should be accomplished within a reasonable period after the new employee reports for duty.

a. Employee Check-in List. NAVPERS 12300/18 (03-03), New employee Indoctrination Checklist should be used for all new employees to ensure prescribed personnel actions are completed. The completed form is to be filed on the left side of the employee's OPF.

b. Personnel Office Role. The personnel office shall develop and maintain communications with a new hire from the time they notify them of the selection until they are released to their supervisor. New employees shall report to the personnel office at the start of their first duty day. The designated personnel employee needs to be sure that at least the following are completed:

(1) Explain the employee benefits programs and give a copy of all benefits brochures and forms for which eligible. Remind the employee that the employee has 31 days to enroll and when the effective date will be.

(2) Discuss the Standards of Conduct and have the employee sign for a copy of information concerning the Standards of Conduct.

(3) Have the employee complete Federal and State withholding tax forms.

(4) Have the employee complete NAVPERS 5300/13.

(5) Have the employee provide information on emergency contact(s).

(6) Issue Kronos badge if applicable.

(7) Arrange for employee to receive base identification card if applicable.

(8) Arrange for the employee to register their vehicle for base access.

(9) Escort the employee to their supervisor.

c. Supervisor's Role. The supervisor will greet the employee and take the actions on NAVPERS 5300/18 (03-03), Leave Option Statement Form for NAFI Worker's Compensation Claim Benefits. It is also recommended that the supervisor designate a co-worker as a buddy for the new employee. The supervisor should take every reasonable step possible to help the employee become a productive and proficient employee in the shortest possible time.

d. Installation Clearance. New employees and separating employees shall comply with all installation clearance processes. The local installation clearance form shall be used. The supervisor will give the employee the clearance form and will also ensure that all NAFI property is returned. The supervisor will also ensure that the employee clears through NAFI personnel and payroll. If the employee is unable to process out, the supervisor will ensure that the supervisor or another designated employee completes the processing for the departing employee in a timely manner.

GENERIC PAY BAND RATING PLAN

Screen Out. The individual has the experience and or combination of education and experience listed as minimum qualifications in the vacancy announcement. ☐ Yes or ☐ No. If no, then no further rating is performed.

Work Experience

5 Points. Experience in the same or substantially similar line of work (if government experience its usually in the same title and series), at a level below that of the position to be filled, and possession of all of the KSAs identified for the position.

3 Points. Experience in a related field at a level below that of the position being filled and possession of all the KSAs identified for the position OR experience in the same or substantially similar line of work at a level below that of the position to be filled and possession of most of the KSAs identified for the position.

1 Point. Other qualifying experience or combination of experience and education.

Education

5 Points. Bachelors or higher degree in a directly related field.

3 Points. Bachelors or higher degree in an unrelated field.

1 Point. Less than the 3 point definition.

Figure 2-1

GENERIC CRAFT AND TRADE (C&T) RATING PLAN

Screen Out. Work experience or education that provided the applicant with the ability to perform the duties of the position. ☐ Yes or ☐ No. If no, then no further rating is performed.

Work Experience

5 Points. Experience in the same or substantially similar line of work at a level equal to or immediately below that of the position to be filled, which demonstrates possession of all the KSAs identified for the position.

3 Points. Experience in the same line of work, a related field, or a substantially similar line of work, at a level equal to or immediately below that of the position, which demonstrates possession of some of the KSAs of the position.

1 Point. Other qualifying experience or combination of experience and education.

Education

5 Points. Associates or higher degree in a directly related field.

3 Points. Technical school certificate in a directly related field or an Associates or higher degree in an unrelated field.

1 Point. Less than the 3 point definition.

Figure 2-2

CHART OF ACTIONS AND REASONS FOR PAR

ACTION	REASON
New Hire	New Hire
	Transfer from NON-NAF SAP Site
	Transfer GS to NAF
	Spousal Preference
	Temporary NTE (incl emergency)
	SAP Conversion
Separation	Voluntary Resignation
	Active Duty Recall
	PCS - Spouse Transfer
	BBA Separation
	Severe Disciplinary Action
	Medical Reasons or Disability
	Death
	Option B Resignation
	Active Military Duty
	Career Opportunity
	Transfer to Non-SAP Location
	End of Season Appointment
	Other (See Remarks)
Change in Position	Promotion
	Temporary Promotion
	End of Temporary Promotion
	Category Change
	Disciplinary Action
	Detail
	End of Detail
	Reassignment
	GS to NAF
	Voluntary Change
	Other (See Remarks)
Adjustment in Pay	New Pay Schedule
	Change in Pay Rate
	Annual COLA Increase
	Change in Responsibility
	Correction of an Error
	Other (See Remarks)

Figure 2-3

CHART OF ACTIONS AND REASONS FOR PAR (CONT'D)

ACTION	REASON
Multiple Position Assignment	Multiple Position Assignment
Leave of Absence	Workers' Compensation
	Temporary Disability
	Suspension
	Maternity/paternity
	LWOP Personal
	Active Duty Recall
	FMLA
	Spouse PCS
	Other (See Remarks)
Return from Leave of Absence	Return to Duty
Retirement	Option A
	Option B
External Hire	GS/WG Hire
	Civilian NAF Hire
	Military Assigned Hire
	Foreign National
	Rehire
External Separation	Voluntary
	Retirement
External Change in Position	Other (See Remarks)

Figure 2-3

NEW HIRE CHECK LIST

1. Personnel person doing processing should have

SF-52, Request for Personnel Action
Selection Letter
Application
Reference Checks

2. Employee should bring with them

Last Leave and Earning Statement
Last SF-50 or PAR
Last TSP forms if electing to stay in APF system
College Transcript if required
Passport copy
Drivers license
Social Security Card
Green Card
Marriage Certificate copy
Birth Certificate (Children) copy

3. Employee will complete

INS I-9 (CONUS), Employment Eligibility Verification Personnel

SF-181, Race and National Origin Identification Personnel

SF-256, Self-Identification of Handicap

OPM 1635, Welfare to Work

W-4, Federal, State & Local Tax Forms

DD-1172-2, Application for DOD Common Access Card DEERS Enrolment

SF-85P, Questionnaire for Public Trust Positions and any other security forms needed.

Figure 2-4

NEW HIRE CHECK LIST (CONT'D)

Standards of Conduct Handout and Form to sign

Emergency Contact Sheet to complete

Privacy Act Statement to sign

Rules on Political Activity to sign

Sexual Harassment Policy to sign

Equal Employment Opportunity to sign

No Strike Agreement to sign

Position Description copy to employee

NAVPERS 5300/13, Designation of Beneficiary

Group Benefits Enrollment Form

AETNA Enrollment/Change Form

Retirement Plan Enrollment Form

Notice of Refusal Retirement Plan

401 K Enrollment Form

Benefit Plan Brochures to employee

Statement of Prior DOD NAF Civilian Service

SF-78, Certificate of Medical Examination (If Applicable)

Badge Application

Figure 2-4

CHAPTER 3
NONAPPROPRIATED FUND PERSONNEL PAY BAND SYSTEM

301. Pay Policy. The pay band system is designed to help managers establish competitive wages, strengthen the link between pay and performance, and provide an efficient classification and pay process. It replaces the traditional grade and step systems Universal Annual, Administrative Support, and Patron Service (UA, AS, PS) with one that groups work of similar characteristics into bands. It assigns a pay range to each band, and, with few limitations, permits pay to be set within the range. Each NAFI shall develop a local pay policy that supplements this chapter and defines how pay options delegated to the NAFI in this instruction will be handled. This pay policy will be posted on bulletin boards. The local policy may be stricter than the policies in this instruction but they may not authorize anything more than authorized in this instruction.

302. Applicability. The provisions of this chapter apply to all U.S. citizens or bona fide U.S. resident alien NAF employees, including off-duty, enlisted military personnel who are working for NAFIs, except employees covered under the Federal Wage System (FWS) (i.e., incumbents of C&T NA, NL, and NS positions).

303. Federal Wage System (FWS). This system includes all C&T positions and uses the following pay plan codes: NA for non-supervisory positions, NL for leader positions, and NS for supervisory positions. OPM's operating manual for NAF Wage System, augmented by DOD 1400.25-M, SC 1405, appendix 2 and appendix A of this instruction contain detailed procedural instructions for the administration and operation of the FWS. Always check these guidelines on pay issues involving FWS C&T employees.

304. Pay Band Background

a. All AS, PS, and UA positions, previously classified by NAVPERSCOM (PERS-653) and distributed to the field as "standardized position/job descriptions", have been placed into one of six Pay Bands. There should no longer be any AS, PS or UA positions in NAVPERSCOM. A summary of the pay band system equivalencies is in table 3-1.

PAY BAND COMPARISON CHART

PAY BAND SYSTEM		
BAND	PREVIOUS COVERAGE	GS COVERAGE
NF-1	AS/PS 1-4	GS 1-3
NF-2	AS/PS 5-6	GS 4
NF-3	AS/PS 7 and UA 5-8	GS 5-8
NF-4	UA 9-12	GS 9-12
NF-5	UA 13-15	GS 13-15
NF-6	UA 16-18	SES
BAND	COVERAGE	GS COVERAGE
CC-I	GSE 2-3	GS 2-3
CC-II	GSE 4-5	GS 4-5

Table 3-1

305. Pay Schedules. The DOD Wage and Salary Division (WSD), Civilian Personnel Management Service (CPMS) publishes NAF pay band schedules. These schedules establish the minimum and maximum pay rates for each pay band per the following policy. There are different pay ranges for each of the DOD defined wage areas.

a. Minimum and Maximum for Bands NF-1 and NF-2 and Minimum for Band NF-3. These rates are determined by a WSD survey of wages paid to employees in a representative number of retail, wholesale, recreation, finance, and insurance establishments in the immediate locality who are engaged in activities similar to those in NAFIs. The largest NAF employer in the survey area serves as the lead agency to do the data collecting. The WSD issues separate pay schedules for each geographical area surveyed. The effective dates vary depending on the survey dates. To aid pay setting decisions a WSD developed pay report is attached to each schedule. It contains average hourly rates of pay and the range of pay from high to low for certain surveyed jobs.

b. Maximum for Band NF-3 and Minimum and Maximum for Bands NF-4 through NF-6. Minimum rates in effect on 4 August 1995, per DOD 1400.25-M, SC 1405 that implemented the NAF pay band system, serve as the basis for adjustments to minimum rates. The minimum rates for NF-4 through NF-6 will be adjusted by a percentage equal to any “national” Employment Cost Index (ECI)

percentage increase for GS employees, rounded down to the nearest $500. The maximum rate for NF-6 will be adjusted to equate to the rate for Level IV of the Executive Schedule (ES), per 5 U.S.C 5373. The maximum rate for NF-5 will be adjusted to equate to the highest GS-15, step 10 locality pay rate. The maximum rates for NF-3 and NF-4 will be adjusted to 40 and 63 percent, respectively, of the NF-5 maximum rate, rounded to the nearest $500.

306. Locality Pay. The pay schedules issued by the WSD for NF-3 through NF-6 contain locality pay within CONUS.

a. Locality pay is treated as basic pay for purposes of retirement and life insurance benefits; premium and overtime pay; and lump sum payments for unused annual leave.

b. Locality pay applies only in CONUS.

c. Locality pay does not apply to AS, PS, C&T, or NF-1 and NF-2 employees. Adjustments in these rates and pay ranges are made per DOD established prevailing rate rules and the WSD pay schedules.

307. Pay Setting

a. General

(1) Except for special pay setting situations stated in this chapter. The head of the NAFI's may determine where, within the minimum and maximum rates of the proper band, to set an employee's rate of pay. Rates of pay determinations should consider the duties and responsibilities of the jobs and be commensurate with prevailing rates for comparable work in similar enterprises in the private sector within the NAFIs commuting area. Consideration should also be given to performance; budget; current rates of pay for similar positions in the organization; and the amount and timing of previous pay increases, cash awards, bonuses, and allowances. The CO is the authority for setting the pay for the head of the NAFI.

(2) Echelon TWO commands may establish additional limitations not in conflict with this instruction or higher level regulations and laws on pay setting for activities under their cognizance.

(3) The term "base pay", as used in this manual, means the rate of pay for an employee, including any portion that may be attributed to comparability with private sector pay in a locality, before any deductions and exclusive of additional pay of any kind. Base pay, which includes basic and locality pay, may not exceed the maximum rate for the employee's pay band. The hourly rate of pay for pay band and C&T is determined by dividing the annual rate by 2087.

b. Special Pay Setting Situations

(1) Effective Date. The effective date of a change in pay rate is the first day of the first pay period on or after the date the action is approved in writing by the head of the NAFI, unless a subsequent date is specifically stated. As a general rule a salary increase may not be made retroactive. An exception however can be made if an increase such as a temporary promotion is delayed by some administrative oversight or a clerical error that occurs after approval by the authorized approving official. Unavoidable delays (e.g. to verify a condition of employment) and delays that result from the employee's own acts are not exceptions to the rule against retroactive effective dates (Comptroller General (CG) Decision B-184817 28 November 1975). Retroactive actions shall be approved in writing by the head of the NAFI.

(2) FLSA Minimum Wage Requirement. The minimum rate paid may not be less than the current Federal minimum wage, or the applicable state or municipal minimum wage, whichever is higher.

(3) Transfer of Function. When a function is transferred from one NAFI to another, within or between components, pay for employees who move with their positions will be set at a rate within the band that is not less than the employee's rate of basic pay immediately before the move. As an exception to this provision, where a portion of the pay is clearly defined as a locality adjustment, the locality pay adjustment need not be continued when the employee moves to an area with a lower locality pay adjustment. Future rates of pay will be per the receiving NAFI's policies and compensation programs consistent with the requirements of this manual.

c. Pay Increase. An employee may be granted a pay increase for performance. Pay increases must have justification to support the increase. This justification shall be done on a NAVPERS 5300/17 or in a memorandum. It must contain a requester and approver signature and the same person cannot both request and approve unless this person is the CO. A PAR will be prepared to document the increase. Pay increases must be based on merit and not be open to claims of favoritism or pre-selection. Increases should not normally be given during the first 90 days of employment in a new position. Pay increases exclusive of the annual comparability increase will not exceed 15 percent per year. If the head of the NAFI determines that an increase larger than 15 percent is justified, a written waiver request including the justification may be submitted through the major claimant to NAVPERSCOM (PERS-653). This 15 percent limitation is not intended to adversely impact pay increases for competitive selections of current employees when the area of consideration includes outside applicants. If such is the case, a written waiver request with justification can be submitted. A pay increase may also be granted upon temporary reassignment to a position in the same pay band but with greater responsibility. At the end of the temporary reassignment, the employee's pay may be readjusted back to its previous level at management's discretion. This reduction in pay is not grievable or appealable.

(1) Promotions and Competitive Position Changes. A promotion occurs, except for temporary details, when an employee is moved to a higher band. A promotion requires a minimum pay increase of 5 percent or to the minimum rate of the higher band, whichever is greater for NF positions. A 6 percent increase or to the minimum rate of the higher band, whichever is greater is required for CC positions. This 6 percent increase shall also be given to CC employees for promotions to a higher GSE level within a band.

d. Pay Decrease. An employee's pay may be decreased within the band for the following reasons: change in duty station to a locality pay area with a lower locality rate of pay; BBA, performance based action, or disciplinary action, classification error, employee requested reassignment, voluntary competitive selections, a decrease in responsibility, a business decrease or any appropriate reason. A detail is not a basis for a pay decrease. When an employee is moved to a lower band

involuntarily, it is a demotion and must be processed using BBA or disciplinary action procedures as appropriate.

e. Annual NF Across-the-Board Adjustments. These adjustments are not mandatory for NF employees. The CO may grant them not to exceed the limits described in subsection (1) through (4) below. Any such decision must be applied to all employees in the NAFI. An exception to this is when the minimum rate for the band is raised. Then employees at the bottom of the band, who are rated at least satisfactory or equivalent, must be given a pay increase to keep their rate of pay within the pay range of the band. The CO may delegate this approval/disapproval authority to the head of the NAFI. The pay rate for pay band employees will be listed on the PAR or other electronic SAP substitute for filing in the OPF as an hourly rate and rounded to two decimal places e.g. $7.31. When an annual increase is granted, the current hourly rate will be multiplied by the percentage of increase (combined COLA and locality percentage). This will be rounded to two decimal places and added to the current hourly rate.

(1) Employees in Bands NF-1 and 2. The adjustment will not exceed the average percentage adjustment stated on the pay report attached to the current pay schedule issued by the WSD. It will not be granted if both the ECI adjustment and the locality adjustment are canceled for APF employees. NF-1 and NF-2 employees receive their increase when the WSD issues the annual schedule adjustment (when the C&T schedule is issued for that area)

(2) Employees in Bands NF-3 through 5, and NF-6. The adjustment will not exceed the respective percentage adjustment of basic and locality pay if appropriate that is granted to corresponding APF GS and SES employees in the pay area. If given it will be effective the same time as the APF increase.

(3) Employees at or Near the Top of a Band. The employee’s pay rate may not exceed the maximum rate for the employee’s band.

(4) Employees in a Less than Satisfactory or Equivalent Status. Such employees are ineligible for a pay increase. This means that in some cases, their pay may fall below the minimum rate of the band.

f. Annual Review of Pay. Supervisors must address the issue of "pay adjustment" at least once a year and this is done during the annual performance appraisal cycle. The decision to grant or not grant a pay adjustment is not a grievable matter.

g. The payment of a training wage rate below the minimum rate of pay band NF-1 is authorized for initial employment of untrained employees entering at pay band NF-1. The rate of pay selected cannot be lower than the applicable minimum wage and may be paid for a maximum of 3 months at which time the employee, if still employed, will be moved to a rate of pay within the pay band.

h. NF Supervisors of C&T Employees. The head of the NAFI may adjust the rate of pay of a NF supervisor to any rate of their pay band that exceeds the highest FWS employee being supervised. Before an adjustment may be made, the head of the NAFI will determine that all of the following apply:

(1) The supervisor's regular responsibilities include supervision over the technical aspects of the work of the FWS employee with the highest pay rate.

(2) The supervisor's rate of pay is less than the scheduled rate of the highest paid FWS employee being technically supervised.

(3) When comparing the scheduled rate of pay for an NF supervisor, with the rate of pay for an FWS employee supervised, the head of the NAFI will exclude from the FWS employee's rate any irregular prevailing rate, such as a retained rate or night shift differential.

308. FLSA

a. Applicability. The FLSA is the only pay law applicable to pay band employees. The provisions of the FLSA, as implemented by the OPM, are applicable to all NAF employees, including off-duty, military personnel. This includes NAFI employees overseas. Overseas employees will be paid as exempt employees. The minimum rate payable to employees may not be less than the current Federal minimum wage, applicable State wage or applicable municipal wage, whichever is higher.

b. Coverage. Heads of NAFIs must exempt a NAF employee from the provisions of the FLSA, if the following criteria are met:

(1) Executive Exemption. Where the employee's primary duty consists of management or supervision. This primary duty requirement is met under the following conditions:

(a) The employee has the authority to select or remove, advance in pay and promote, or make any other status changes of subordinate employees, or has authority to suggest and recommend such actions with particular consideration given to these suggestions and recommendations.

(b) The employee customarily and regularly exercises discretion and independent judgment in such activities as work planning and assignment, direction, review, evaluation, and other aspects of management of subordinates, including personnel administration.

(c) In addition to the above criteria, employees properly classified in NS positions at the 7, 8, or 9 level, and NF employees properly classified at NF-3, must spend a minimum of 80 percent of their workday on supervisory duties.

(2) Administrative Exemption. An administrative employee is an advisor, assistant, or representative of management, a specialist in management, general business function, or support service, whose work meets all of the following criteria:

(a) The work significantly affects the formulation or execution of management policies or programs.

(b) The work requires general management, business functions, or supporting services of substantially importance to the organization.

(c) The work requires substantial participation in the executive, or administrative functions of a management official.

(d) The employee performs office or other predominantly non-manual work that is intellectual and varies in

nature, or of a specialized or technical nature that requires considerable special training, experience, and knowledge.

(e) The employee must frequently exercise discretion and independent judgment, under only general supervision, in performing the normal day-to-day work.

(3) Nonexempt Pay Band Positions. The following CONUS pay band positions do not meet the FLSA exemption criteria and must be nonexempt from the provisions of the FLSA.

(a) Non-supervisory employees below NF-4.

(b) Leader employees below NF-4.

(c) Supervisory employees classified below NF-3.

(d) Supervisory employees at NF-3 who perform work not directly related to their supervisory function more than 20 percent of the time.

(4) Exempt Supervisory Positions

(a) The following supervisory employees meet the FLSA criteria and, therefore, are exempt from the FLSA:

1. Supervisory employees at the NF-3 level, and NS-7, 8, or 9 level, who perform supervisory and related duties 80 percent or more of the time, and who meet all of the following requirements:

a. The work involves responsibility for planning and accomplishing a continuing workload that meets the intent of the recognized organization unit requirements.

b. The employee regularly exercises discretion and independent judgment in planning, directing, and controlling the work.

c. The employee is responsible for significant personnel management duties.

309. Pay Band (NF and CC) Premium Pay

a. Overtime

(1) The maximum basic administrative workweek for an employee not on an approved Alternative Work Schedule (AWS) is 40 hours. There shall be an advance request and approval in writing for overtime or compensatory time before scheduling, recording or paying a pay band employee to work more than 40 hours.

(2) A pay band employee must have more than 40 hours of work or duty status as defined by the FLSA before overtime can be paid. Annual leave, sick leave, absence on legal holidays or non-workdays established by executive or administrative order or absence on compensatory time during the basic workweek does not count toward the 40 hours of work or duty status required under the FLSA definition for overtime.

(3) The final decision on whether the employee will have 40 hours of FLSA defined work often has to be made at the end of the week because of the possibility of emergency sick leave, etc. After this decision has been made, the pre-approved time over 40 hours will be handled in one of the following ways:

(a) If the employee does have over 40 hours of FLSA defined work the hours over 40 qualify for overtime if requested and approved in advance.

(b) If the employee does not have over 40 hours of FLSA defined work then the hours over 40 shall not be paid as overtime pay.

(4) Overtime is determined differently for C&T employees. Use appendix A and the OPM guidelines to calculate overtime for C&T employees.

(5) Overtime is paid at 1 1/2 times the basic pay rate for FLSA defined work hours that exceed 40 in an administrative workweek if the employee’s basic rate does not exceed the locality rate for GS-10, step 1. In areas that do not have locality pay, the basic pay rate for GS-10 step 1 is used. When the employee’s basic pay rate exceeds the GS-10, step 1 rate the overtime pay rate will be 1 1/2 times the GS-10 step 1 rate.

(6) The basic rate is the rate of pay assigned to a position before any deductions and exclusive of additional pay of any kind.

(7) As a general rule, it is not a good management practice to pay overtime to an employee who is also taking paid leave in the same pay period.

(8) Exempt Employees. No laws or regulations external to DOD establishes overtime pay policy for exempt white-collar NAF employees. DOD 1400.25-M, SC 1405, appendix 4 delegates components the authority to grant overtime pay. NAVPERSCOM is further delegating this authority to individual NAFIs within the following guidelines:

(a) The individual NAFI's written pay policy shall indicate whether or not overtime will be paid to exempt employees and the level of management that will have the authority to approve the overtime. The payment of overtime must comply with the guidelines in this instruction. No employee identified as exempt may be paid overtime or given compensatory time off unless the overtime pay or compensatory time off is requested and authorized in advance by the designated approving official. The doctrine of compensation for hours "suffered and permitted" to be worked does not apply to exempt employees.

(b) The NAFI has the discretion to grant an exempt employee's request to receive compensatory time in lieu of overtime or to direct that an exempt employee work time that meets the FLSA overtime requirement for compensatory time off instead of overtime pay. The amount of compensatory time off that may be granted will be equal to the time spent in requested and approved overtime work. No exempt employee will be permitted to accumulate more than 80 hours of compensatory time. Compensatory time will be used within a reasonable period of time, not to exceed 26 pay periods. If compensatory time is authorized and earned, it will be entered on the time and attendance report.

(c) Compensatory time off will normally be used before annual leave is approved unless this would cause the employee to forfeit annual leave. The date of separation for employees with compensatory time will be fixed to include compensatory time due the employee if practicable. Otherwise,

the employee will be paid for such time based on the straight time rate in effect at the time the compensatory time was worked. The maximum amount of compensatory time that can be paid under this provision is 80 hours.

(9) Nonexempt Employees. Employees in geographic areas covered by the FLSA and identified as nonexempt must be compensated for all hours of work in excess of 40 hours per week. Only FLSA defined hours of work are counted toward the 40 hours in a workweek. All work "suffered and permitted" or requested and authorized in advance in writing, for nonexempt employees will be paid in one of the following ways:

(a) Hours over 40 that meet the FLSA definition of overtime will be paid at 1 1/2 times the employee's hourly regular rate of pay.

(b) Hours over 40 that do not meet the FLSA definition of overtime will be paid at the employee's hourly regular rate of pay.

(c) Compensatory time off is not authorized for nonexempt employees except for religious purposes.

(10) Time Off for Religious Reasons. Employees may earn compensatory time off for religious observances under provisions of 5 U.S.C. 5550a. Time off for religious reasons will be recorded in a special leave account and may be worked either before or after the period of time off. Advance time off for religious reasons should be repaid within a reasonable time. Any time off balance will not transfer. When an employee separates, dies, or transfers to another DOD component, any unused time-off balance will be paid, by the losing activity, at the basic hourly rate in effect when the time was worked. If the employee has an un-liquidated advance time-off balance at the time of separation, death or transfer, an indebtedness is created. Compensatory overtime worked in this manner is exempt from maximum pay limitations and all other provisions of overtime and premium pay. Religious reasons are the only circumstances that compensatory time can be authorized for a nonexempt employee.

(11) Pay Band Employees in Areas Not Covered by FLSA. Employees in areas not covered by FLSA will all be considered

exempt employees. The pay guidelines for FLSA exempt employees will be followed for these employees.

b. Night, Sunday and Holiday Pay for Pay Band Employees. The FLSA does not cover night, Sunday or holiday pay. An employee's exempt or nonexempt status is not a factor in determining such pay. There is no law or regulation external to DOD that addresses night, Sunday or holiday pay for NAF white-collar employees. DOD has delegated the authority to grant these payments in consideration of the prevailing practice in the locality, and recruitment problems to the components. Within Navy this delegation is to NAVPERSCOM (PERS-65). This instruction is re-delegating this authority to the head of the NAFI within the following guidelines:

(1) Night Shift Differential. Night shift differential is optional for pay band employees, and may be paid when the head of the NAFI determines that such differential is the prevailing practice in the local wage area, and that such pay is necessary for recruitment and retention purposes. The determination on whether or not it will be paid will be included in the NAFI local pay document. If night shift differential is paid to pay band employees, it will be at the rate of 10 percent of the employee's basic rate for hours of regularly scheduled (non-overtime) work performed between the hours of 1800 and 0600. For pay band employees, this is paid only for the regular hours worked between 1800 and 0600 and not for the full shift as it is for C&T employees. Payment of night differential for pay band employees continues during short periods of paid leave of 8 hours or less, holidays, absence on worker compensation, court leave, military leave and periods of official travel.

(2) Holiday Pay for Pay Band Employees

(a) The head of the NAFI may elect to give NF-3 and above employees who work on the holiday another day off instead of paying holiday premium pay for the holiday worked. If possible, the day off should give the employee the 3-day weekend they lost by working the holiday.

(b) Holiday pay is the employee's basic rate of pay when the employee is entitled to holiday pay and is excused from work for the holiday.

(c) Holiday premium pay is the extra pay at the employee's basic rate of pay when the employee is entitled to holiday pay and works on the holiday. When an employee entitled to a holiday works on the holiday, the employee is paid both holiday pay and holiday premium pay (the equivalent of double time) for the non-overtime hours that the employee would normally be scheduled for on the holiday.

(d) When a legal holiday falls on the non-workday of an employee who is authorized holiday pay, the employee will receive an in-lieu of holiday. The in-lieu of day to be treated as the holiday will be the day of the basic workweek that immediately precedes or immediately follows the observance of the legal holiday, as determined by the head of the employing NAFI. To allow for continuity of operations, managers may designate alternative days as the holiday for individual employees when strict application of the "day preceding or day succeeding" rule would result in disruption to the NAFI.

(e) When an employee eligible for holiday pay has a workday or tour of duty on a holiday (or the day that becomes their holiday) covering portions of 2 calendar days, they will be granted holiday pay for the workday that commences on the holiday (or the day that becomes the employee's holiday). If required to work on that day, they will receive double time (holiday pay and holiday premium pay). If the regularly scheduled hours include a workday which begins on the day before the holiday and extends into the holiday, they will be required to be on duty for that workday unless leave for that workday is approved. In order to receive holiday pay, an eligible employee must be in a pay status the last scheduled workday before the holiday or the next scheduled workday after the holiday. LWOP is not a pay status.

(f) RFT

1. RFT employees are entitled to holiday pay. If the employee is excused from work on a holiday, the employee is paid holiday pay. If the employee works on the holiday, they are paid both holiday pay and premium pay.

(g) RPT and Flexible Employees

1. Holiday pay is optional for regularly scheduled RPT and flexible pay band employees and may be paid when the head of the NAFI determines that it is the prevailing practice in the local wage area, and that such pay is necessary for recruitment and retention purposes. The determination on whether or not it will be paid will be included in the NAFI local pay document. The determination on holiday pay must apply to all employees of the same appointment type (RPT/flexible employees) within the NAFI. If the NAFI's determination is to pay holiday pay, then when an employee scheduled work day falls on a holiday and the employee is excused from work for the holiday, the employee is paid holiday pay. If the employee works on the holiday, the employee is paid both holiday pay and holiday premium pay. The employee is not entitled to holiday pay if the holiday does not fall on one of their regularly scheduled workdays.

2. An unscheduled on call flexible employee has no entitlement to holiday pay or holiday premium pay. If the employee works on a holiday, they are paid regular pay.

(h) Legal holidays include the 1st of January, the 3rd Monday of January, the 3rd Monday of February, the last Monday of May, the 4th day of July, the 1st Monday of September, the 2nd Monday of October, the 11th day of November, the 4th Thursday of November, the 25th of December, Inauguration Day (only for employees working in the Washington, D.C., Metropolitan area as explained in the rules for APF employees), or any other calendar day designated as a holiday by Federal statute or executive order.

(4) Sunday Premium Pay for Pay Band Employees

(a) Sunday premium pay is optional for pay band employees, and may be paid to employees who meet the following requirements when the head of the NAFI determines that it is the prevailing practice in the local wage area, and that such pay is necessary for recruitment and retention purposes. The determination on whether or not it will be paid will be included in the NAFI local pay document. The determination may make distinctions between appointment types (RFT, RPT or Flexible) of employees. If authorized it shall be paid using the following guidelines.

(1) The employee must have a regular work schedule of 40 hours that includes an 8-hour period of work, a part of which is on Sunday to be entitled to Sunday premium pay. An employee who works more than 8 hours in a single tour of duty on a Sunday does not receive the Sunday premium for hours in excess of 8 hours.

(2) Premium pay for Sunday work is in addition to premium pay for holiday work, overtime pay, and night shift differential, and is not included in the rate of basic pay used to compute the pay for holiday, overtime and night work.

(3) An employee who has two separate tours of duty on Sunday, (e.g., one tour that begins on Saturday and ends on Sunday and another tour that begins on Sunday and ends on Monday) is entitled to premium pay for Sunday work not to exceed 8 hours for each tour of duty.

(4) An employee who does not work during their Sunday tour of duty because of paid leave, excused absence, or use of compensatory time off or credit hours, or because Sunday is a holiday is not entitled to Sunday premium pay.

(b) When authorized, Sunday premium pay will be paid at the rate of 25 percent of basic rate for all hours of a non-overtime tour of duty that are worked.

(c) Sunday premium pay is in addition to premium pay for holiday work, overtime pay, or night shift differential, and is not included in the rate of base pay used to compute the pay for holiday, overtime pay, or night shift differential.

c. Specific CC Pay System Requirements

(1) General. The CC pay system was established by DOD to meet the requirements of the Military Child Care Act of 1989, and applies to all U.S. citizens, or bona fide U.S. resident alien NAF child care employees, irrespective of a category of employment. While caregivers have a different pay plan designation (CC vs. NF), the positions are considered pay band positions. The only differences in NF and CC pay rules are as follows:

(a) Schedules and across-the-board Pay Increases. WSD does not issue CC schedules. The minimum and maximum rates for pay band CC-I are the rates for GS-2, step 1 to GS-3 Step 10 including locality pay for the locality of the position. The pay band for CC-II is GS-4 step 1 to GS-5 step 10 including locality pay for the locality of the position. CC-I and CC-II employees shall be given any annual across the board increases effective the first day of the first pay period beginning on or after the effective date of the GS locality schedule. A CC-I employee's pay must be no lower then the GS-2 step 1 locality pay included. A CC-II employee's pay must be no lower than and GS-4 step 1 locality pay included.

(b) Pay Upon Advancement Within or Between Pay Bands. A position change to the next level of responsibility within or between pay bands requires a minimum of 6 percent hourly rate increase or to the minimum rate associated with the applicable GS grade in the locality to which assigned, whichever is higher. Advancement occurs when an employee moves from the Child Development Program Assistant CC-I (GSE-02) to the intermediate level CC-I (GSE-03), from CC-I (GSE-03) to the target level CC-II GSE-04) or from the target level CC-II (GSE-04) to the leader or technician level CC-II (GSE-05).

(c) When a DON target level or lower care-giver employee moves to a care-giver position at another location, the employee's pay and grade will not be reduced as long as the employee has met all of the requirements for their last caregiver position and was performing satisfactorily in that position.

(d) Noncompetitive pay adjustment actions based on a combination of experience and completion of DOD required training will be effective within two pay periods of successful completion and implementation of the training.

(2) All required training modules must be successfully completed within 1 year of entrance into a caregiver position. Failure to do so may be the basis for termination of employment.

(3) CC Pay System Definitions

(a) CC. The pay band symbol used to identify the pay plan code of caregivers.

(b) Full Performance or Target Level. The grade or level of the position that an employee is expected to attain once all of the required training has been satisfactorily completed. The target level is CC-II (GSE-04). All vacancy announcements will reflect this full performance level and applicants who meet the position experience requirements and have completed all of the required training at another DOD facility of the target positions grade level will be selected at the CC-II (GSE-04) level.

(c) GSE. A descriptive designation that identifies the positions with their "GS" counterpart.

(d) Pay Adjustment (in place). A noncompetitive pay increase based on recognized and sustained performance above the satisfactory level.

(e) Noncompetitive - Pay Adjustment. Increase in pay when the employee is moved noncompetitively from the entry to the intermediate level, or intermediate level to the full performance level.

(4) Childcare Standard PDs (NF and CC)

(a) NAVPERSCOM uses four standardized PDs for caregivers. These standard PDs are available on http://www.mwr.navy.mil under personnel. This site also contains other standard PDs for childcare. These standard PDs (pay band and GS) must be used unless approval is obtained from NAVPERSCOM (PERS-659) and (PERS-653). The full performance or target grade level for caregiver positions is CC-1702-II (GSE-04).

(5) Table 3-2 depicts the structure and pay band rate scale for each CC band.

CC PAY BAND RATE SCALES TABLE

BAND	**STANDARD POSITIONS**	**MINIMUM AND MAXIMUM PAY RATES ARE EQUIVALENT TO CORRESPONDING GS LOCALITY SCHEDULE RATES**	
		MINIMUM RATE	MAXIMUM RATE
CC-I	Education Aide (CDC) (Entry Level) CC-1702-I or (GS-2)	GS-2, Step 1	GS-3, Step 10
CC-I	Education Aide (CDC) (Intermediate Level) CC-1702-I or (GS-3)	GS-2, Step 1	GS-3, Step 10
CC-II	Education Technician (CDC) (Full Performance Level) CC-1702-II or (GS-4)	GS-4, Step 1	GS-5, Step 10
CC-II	Lead Education Technician (CDC) (Leader) CC-1702-II or (GS-5)	GS-4, Step 1	GS-5, Step 10

Table 3-2

(6) Classification Complaints. NAF caregiver personnel may grieve their assignment to a standard PD when they believe they are required to perform the duties of, and have met the qualification requirements for a higher level standard PD. Employees may not grieve the content of the PD or the assignment of the position to a band as long as the content and assignment are in compliance with DOD 1400.25-M, SC 1405 and this instruction. Per 5 U.S.C. 7121 the negotiated grievance procedure if there is a recognized union may be used only if the classification results in a pay or pay band reduction.

310. Allowances and Differentials

a. Foreign Areas. Subject to pre-employment negotiation, allowances and differentials for U.S. citizen/U.S. national employees in foreign areas may be authorized. If allowances and differentials are authorized, they will be administered per the provisions of DOD 1400.25-M, SC 1250 and 1405 and Department of State Standardized Regulation (DSSR) (Government Civilians Foreign Areas) subsections 031.11, 031.12a, 031.12b, and

031.12c, 031.2 and 031.13. Allowances and differentials will not exceed those provided to civil service employees in comparable positions.

b. Non Foreign Areas. A non foreign area allowance, or differential, established for APF employees is not granted to employees in pay bands NF-1 and NF-2 as these rates already are based on the prevailing rate, but may be paid to employees in pay bands NF-3 through NF-6. The heads of NAFIs should strive for consistency in a geographical area, internally and among components.

311. Dual Compensation. The provisions of the Dual Compensation Act (DCA) of 1964, P.L. 88-448, and Sections 5531, 5532, and 5533 of 5 U.S.C pertaining to dual pay and dual employment apply to NAF employees.

a. Except as provided by 5 U.S.C Section 5533 an individual (including a NAF employee) is not entitled to receive pay from more than one position for more than an aggregate of 40 hours of work in 1 calendar week (Sunday through Saturday). Figure 3-4 provides a sample letter that will be used to advise employees of this requirement.

(1) Authorized Exceptions

(a) An employee on LWOP from one position may be paid for another position during the period of LWOP. It is not recommended that this exception be utilized.

(b) Title 39 U.S.C., section 1001 permits an individual of the Postal Service to be paid concurrently as an employee of the Postal Service (other than as a member of the Board of Governors or of the Postal Rate Commission), and as an employee of any other Federal agency without regard to 5 U.S.C., section 5533.

(c) 5 U.S.C., section 550.504 provides that when a department or agency encounters difficulty in obtaining employees to perform required personal services because of 5 U.S.C., section 5533(a) the agency may make an exception from that section upon determining that the required services cannot be readily obtained otherwise. When these situations are encountered the head of the NAFI may submit a written request

through the major claimant for waiver to NAVPERSCOM (PERS-653). Approved waivers shall not be valid longer than 1 year without re-justification and approval. The request shall

1. specify the positions to which it applies.

2. explain and justify the efforts already taken to meet the need and the reason(s) why the exception is needed.

3. include concurrence from the local Ethics Office that there are not any ethical or other legal issues involved.

4. include a statement that all appropriate contracting procedures will be complied with and that a determination shall first be made through advertising and competitive price bidding that the most cost-effective proposal shall be used.

(d) Federal employees shall not engage in outside employment or activities that conflict with or create the appearance of a conflict of interest with their official duties and responsibilities. NAFIs may require employees to receive prior approval for outside employment (5 CFR, section 2635.803).

(e) Members of the Armed Forces on active duty may not normally receive pay from another Government position unless authorized by law. The known exceptions are

1. enlisted personnel may be employed as part-time or flexible employees during off-duty hours in DOD NAFs not to exceed 34 hours per week as authorized by DOD 1401.1-M and DOD 1400.25-M, SC 1403.

2. members of the Armed Forces Reserves and members of the National Guard may receive military pay and allowance in additions to pay from another Government position (5 U.S.C., section 5534).

3. military retirees may accept Government positions without a reduction in military retirement pay.

4. Federal employee APF retirees may accept NAF employment. However, former NAF employees may be subject to salary offset under the re-employed annuitant guidelines depending upon prior retirement portability elections.

5. the DCA prohibitions do not affect the receipt of overtime compensation for work in one position in excess of the hours required. Employment in more than one flexible position within the same NAFI is also not a violation. However, they must be in the same pay plan (pay band or C&T). Overtime pay rules apply to the combined total hours worked in both positions. If the positions involve different rates of pay, the overtime will be paid based upon the highest rate of pay.

b. The DCA applies to foreign nationals employed and paid by NAFIs in foreign countries.

c. The restrictions of the DCA do not apply to compensation from more than one office for services rendered under emergency conditions relating to health, safety, protection of life or property, or national emergency. Examples of such conditions are fire, earthquake, flood or other disasters, civil disorder, or threat to the national security. If it becomes necessary to exercise this exception the head of NAFIs will report the following information to NAVPERSCOM (PERS-653) as soon as possible but not later than 3 days after the emergency ends.

(1) To what extent is the base or activity isolated?

(2) At an overseas location, was the exception requested for both U.S. and non-U.S. citizen employees?

(3) Why normal staffing methods could not be utilized?

(4) Extent to which off-duty, military personnel were used?

(5) Extent to which dependents were used?

(6) Any other information that would document the need for an exception?

312. Severance Pay

a. Procedures

(1) Employees who have completed at least 12 continuous months of service as a regular employee with one or more DOD NAFIs are eligible for severance pay. The continuous service qualifying the employee for severance pay must have occurred within the 12 months proceeding the effective date of the BBA.

(2) An eligible employee shall receive severance pay when, as a result of a BBA

(a) the employee is involuntarily separated. An employee who resigns following receipt of a specific written notice of separation due to BBA or a general written notice that announces that all positions will be abolished is considered to have been involuntarily separated.

(b) the employee’s basic pay is reduced and the employee resigns instead of accepting the reduction.

(c) the employee’s employment category is involuntarily changed from RFT to RPT or from regular to flexible, and the employee resigns or retires instead of accepting the change.

(d) the employee is furloughed for more than 60 consecutive days and resigns instead of accepting the furlough.

(3) the amount of severance pay will be 1 week's base pay for each year of continuous regular service with one or more DOD NAFIs up to 4 years of service, for a maximum of 4 weeks of pay. This pay will be based upon the number of hours regularly scheduled to be worked during a week and at the rate received immediately before separation. The head of the NAFI with the approval of the major claimant may increase the maximum amount of severance pay to 8 weeks for 8 years of service at base realignment and closure (BRAC) installations and for employees directly impacted by regionalization, or A-76 or FA situations. The activity shall pay all severance pay with local funds. The activity may elect to pay the severance pay in one lump sum or in 2-week increments.

(4) Creditable Service for Severance Pay

(a) Continuous service in a pay status as a regular employee in one or more DOD NAFIs.

(b) Service in a continuing APF position, if the employee moved from a DOD APF position to a DOD NAF position on or after 1 January 1987, without a break in service of more than 3 days.

(c) Military service that interrupted creditable service as prescribed in 38 U.S.C., chapter 43.

(5) Exclusions from Creditable Service

(a) Service upon which a NAF or civil service annuity is based if the annuity began before the date of the BBA.

(b) Periods of service for which NAF or APF severance pay were previously granted.

(c) Service used to determine an employee's APF severance entitlement under the provisions of 5 U.S.C., section 5595(h). This involves situations where an APF employee is receiving severance pay and accepts a NAF position. Acceptance of the NAF position stops the APF severance pay. Payment of the APF severance pay may be resumed if the individual is later BBAed.

(6) The payment of severance pay, including the period of employment for which paid, will be documented on the final PAR and made a permanent part of the employee's OPF.

(7) Flexible employees with 3 or more years of continuous employment in any NAFI, whose category is changed from flexible to regular without a break in creditable service after 3 December 1997, may be eligible for severance pay if later separated. In these category-changed situations, the time employed as a flexible employee will count toward severance pay eligibility.

(8) Severance pay will be paid to employees no later than 4 weeks after separation. It should not be paid until the employee has cleared all debts to the government.

b. Restrictions. Involuntarily separated employees will not receive severance pay if they

(1) are employed without a break in service of more than 3-calendar days after separation in another DOD NAF regular position or a DOD APF position without a time limit on the length of the appointment.

(2) have refused an offer of employment without loss of pay, employment category, and seniority, in any NAFI or APF position in the same commuting area.

(3) are entitled to an immediate annuity that is not reduced because of the employee’s age at the time of retirement. This exclusion covers an annuity from a NAF retirement plan or from a civil service retirement plan in which the employee elected to remain following a movement between NAF and APF.

(4) are receiving payments from workers' compensation for a job-related injury or illness.

313. Services Contract. A service contract may not be used to hire an individual for a job that requires such services on a continuing basis or where an employee employer relationship results from the performance of work. In these cases, positions will be established, graded and paid under the appropriate NAF pay schedule. Independent contractors do not qualify for NAF benefits coverage. NAFIs must include a benefits waiver clause in all contracts for outside help. Additionally, benefits coverage is not provided for private organizations, concessionaires, or any individual/organization not officially designated for being under the program management of a NAFI or NAVPERSCOM (PERS-65). For additional information concerning coverage under a service contract, refer to BUPERSINST 5890.1. This does not preclude NAFIs from obtaining sporadic temporary services via proper contracting procedures if an employer and employee relationship is not created with the worker. DOD 7000.14-R, vol. 13 states the 20 common law factors for determining whether an employer and employee relationship is

created. 5 CFR 300 is a good guideline for determining acceptable practices in this regard.

a. Payments for Services Contracts

(1) Payments under service contracts must be paid on a fee basis only. A contract to which a salary or wage is attached is prohibited. Fee payments that aggregate $600 or more to anyone, other than a bona fide company or corporation during a calendar year, will be reported in the aggregate amount paid, and include the name, address, and SSN of the recipient of such payments.

(2) If an individual, or group, enters into a services contract with a NAFI, it is the responsibility of the NAFI to complete an IRS Form 1099 to report on distribution from pension, annuities, retirement or profit sharing plans, individual retirement accounts (IRAs), insurance contracts, etc., the total of such contractual payments, if the combined total of the contract compensation was $600 or more in the calendar year. NAF employees may only enter into service contracts with a NAFI for which they are not employed and provided there is no conflict of interest or other ethical issues with either NAFI. BUPERSINST 7043.1B contains additional guidance.

314. Additional Compensation and Payment of Fees. No NAFI employee will be compensated wholly or in part by supplemental remuneration composed of fees or commissions. NAFI employees shall not enter into contracts in the NAFI (same fund) in which employed. As an exception, up to 90 percent of fees collected by the MWR may be paid to the Professional Golf Association (PGA) golf professional or other NAF contract instructor provided the following requirements are met:

a. The contract will provide that all lessons be conducted while the individual is off duty in a non-work status. The supervisor shall ensure that the employee works the required number of hours in a workweek. During the period of time that lessons are being conducted the individual is a private contractor and is not considered as a NAFI employee for NAF benefits or risk insurance programs including worker compensation. The individual is responsible for all risks,

insurance and liabilities incurred or required for contractors while conducting the lessons per BUPERSINST 5890.1.

b. All lesson fees collected will be paid to the NAFI, listed as income to the NAFI and become the property of the NAFI.

c. The contract may provide for the NAFI to pay the qualified instructor up to 90 percent of the fees collected for each lesson the contractor conducts. This payment will not be issued as part of the employee's normal pay or included in the regular paycheck. It will not be considered as employee compensation for any purpose. At the end of the year, the NAFI will issue an IRS Form 1099 to the individual indicating the amount of funds paid. The individual contractor is responsible for all taxes (income, social security, Medicare, etc.) related to the contract income.

d. The head of the NAFI will establish and enforce internal controls to ensure these requirements are met.

315. Awards

a. NAF Incentive Awards Program. This program applies to all NAF personnel, including off-duty enlisted military NAF employees. APF civilian employees, other military personnel, contractors and volunteers are not eligible for this program.

(1) Purpose. The purpose of the incentive awards program is to encourage improved performance of NAF employees, which, in turn, improves the efficiency, and economy of NAF operations. It is also designed to recognize and reward employees individually, or in groups, who perform special acts or services in the public interest in connection with their employment.

(2) Administrative Responsibility. The CO is responsible for authorizing and providing funding for an Incentive Awards Program for NAF personnel of their respective MWR activities. The head of the NAFI normally handles administration.

(3) Award Approval. The CO has the basic authority to approve incentive awards within the guidelines of this

instruction and higher level regulations, laws and instructions. This authority may be delegated to the head of the NAFI if a local procedure on awards has been established. To prevent any potential conflict of interest, the CO must approve awards for the head of the NAFI. The granting of awards should be as close as possible to the actual event, or performance that called for the award, otherwise the biggest part of the "recognition" and "motivation" factor of such awards has been lost.

(4) Incentive Award Types

(a) Cash awards. Cash awards may be granted for performance exceeding job requirements, either as a one-time occurrence, or over a sustained period. It also covers awards for special acts or services connected with, or related to, employment. The following guidelines for cash awards shall be followed:

1. Employees may receive no more than a total of $7,500 in cash awards in any calendar year.

2. When two or more employees have made a contribution, all employees contributing, including supervisors may share a cash incentive award. An award may be granted in equal shares, or to each employee in proportion to their contribution. However, the total amount of any single group award may not exceed $7,500.

3. Cash awards are in addition to an employee's regular pay and are subject to Federal, State/local income, and Federal Insurance Contribution Act (FICA) tax.

4. The cash awards process may include on the spot cash awards. This award provides immediate acknowledgment for specific and exceptional performance outside the bounds of an employee's job. On-the-spot awards must be commensurate with the nature of the service or act being recognized. If an activity uses on the spot awards a procedures must be developed to provide for documentation of the award in the OPF and for the payment to the employee. On the spot award amounts are counted toward the $7,500 limitation on cash awards.

b. Non-monetary Award/Honorary Award. This is a tangible way to recognize team or individual accomplishments that leads

to improving the quality of products and services Navy MWR provides to its customers. It may also be recognition of continued distinguished service, a singular achievement, or and act of personal heroism. It may be granted independently of, or in addition to a cash award, but is not intended as a substitute for a monetary award. Non-monetary awards may include, but are not limited to, plaques, certificates, letters, emblems or pins, etc.

c. Suggestion Award. An award for an idea submitted by an employee and adopted by management that has the potential of improving operations in some way. NAF activities should establish local suggestion award programs to assess employee suggestions and recognize them with honorary or cash awards, as deemed appropriate. Suggestions with potential Navy-wide MWR system impact should be forwarded to NAVPERSCOM (PERS-653), via the chain of command, for consideration and appropriate action. Suggestions must be submitted in writing and include the following statement: "I understand that if this suggestion is adopted for use all rights and benefits become the property of the government."

(1) Acceptance of the award constitutes an agreement that the use by the Government of the U.S., and its instrumentality's, of any idea, methods, or device for which the award is made will not form the basis of a claim of any nature upon the Government of the U.S., or its instrumentality's by the employee, employee's heirs, or assignees.

d. Pay Adjustment for Performance. Employees with documented high performance levels may be granted an increase in salary.

e. Length of Service Awards for NAF Civilian Employees

(1) Eligibility. All regular and flexible U.S. civilian NAF employees currently employed for 10 or more years by a NAF activity under the cognizance of NAVPERSCOM. Military duty is not creditable toward eligibility for these awards.

(2) Years of Employment and Types of Award. Employees will be awarded recognition in 5-year increments starting in their 10th year. A certificate, patch, and pin will be provided to each employee.

(3) Award Processing. Award certificates, pins, and patches are available from NAVPERSCOM (PERS-653) and will be forwarded to the appropriate NAF activity upon written request. Written requests specifying length of service should be forwarded to NAVPERSCOM (PERS-653).

f. Financial Responsibility. Expenses for local awards will be paid from local NAF funds. Expenses for awards made by NAVPERSCOM (PERS-65) will be charged to the appropriate central NAF account.

(1) APF expenditures for government employee award. Several statutes authorize the procurement of awards in various contexts. Perhaps the most important is the Government Employees Incentive Awards Act, enacted in 1954 and now found at 5 U.S.C., sections 4501 - 4507. The Act authorizes agencies to pay a cash award to employees whose suggestion, invention, superior accomplishment, or other personal effort contributes to the efficiency, economy, or other improvement of Government operations or performs a special act or service in the public interest related to their official employment. Awards and related expenses authorized under this Act are paid from APF made available to the activity or activities benefited.

(a) Awards purchased with APF to honor NAVPERSCOM (PERS-65) APF employees shall be per DOD 1400.25-M, subchapter 451 and other applicable regulations and procedures.

(b) APF shall not be expended on items given to recognize those individuals who have contributed non-work related achievements.

g. Award Ceremony. Activities are encouraged to present awards to employees at an appropriate ceremony. If possible, it is suggested that an annual awards luncheon or dinner be held to recognize at one event the contributions of all employees. The head of the NAFI is authorized to spend up to $10 per NAF employee, annually, for these events. These funds are not available for ceremonies solely for APF or military personnel or for volunteers or contractors.

h. Time Off Award for NAF Employees

(1) Introduction. Time off from duty, called a "time off award," may be granted, without loss of pay or charge to leave, in recognition of superior accomplishment, or other personal effort, that contributes to the quality, efficiency, or economy of Government operations. A time off award is an alternate means of recognizing superior accomplishments of employees with other than monetary or non-monetary awards. Decisions to grant time off awards shall be based upon the same criteria or circumstances as any other incentive award. Time off awards shall not be granted to create the effect of a holiday or treated as administrative excuses or leave. Though time off awards may not have an immediate budget consequence, supervisors and managers shall consider fully wage costs and productivity loss when granting time off awards and shall ensure that the amount of time off granted as an award is commensurate with the individual's contribution or accomplishment. A time off award is separate and apart from the authority to grant time off in lieu of cash payment as compensation for increased productivity under productivity gain sharing programs.

(2) Time off Award Limits

(a) The amount of time off granted to any one individual in any 1 leave year should not exceed 80 hours. For part time employees or those with an uncommon tour of duty, total time off granted during any calendar year should be based on the average number of hours of work generally worked during a 2-week period.

(b) The amount of time off award granted to an individual for a single contribution should not exceed 40 hours. Awards for part time employees or those with an uncommon tour of duty will be prorated as indicated above.

(c) Time off granted as an award should be scheduled and used within 1 year after the effective date of the award.

(d) 5 CFR 451.104 restricts a time off award from being converted to a cash payment under any circumstances.

(e) A time off award shall not be transferred between DOD components. Managers and supervisor should make

every effort to ensure that the employee is able to use the time off award before leaving.

(3) Time Off Awards Determination and Approval. Except as specified below, the authority to approve time off awards is delegated to the head of the NAFI who may re-delegate it to lower level supervisors. The delegation will be in writing.

(a) A decision to grant a time off award for a period in excess of 1 workday must be reviewed and approved by an official at an organizational level higher than the individual making the initial decision. Thus, the head of the NAFI may designate subordinates to make initial award determinations, subject to their final review and approval. All such designations must be included in local operating guidance.

(b) Supervisors may grant time off awards not to exceed 1 workday without further review and approval. Supervisors have this authority if it is so indicated in the PD, or delegated in writing by the head of the NAFI or activity CO.

(4) Eligibility Criteria. A time off award may be granted to an employee in recognition of superior accomplishment, or other personal effort, which has contributed to the quality, efficiency, or economy of Government operations. Examples of achievements that may be considered for a time off award are

(a) making a high quality contribution involving a difficult or important project or assignment.

(b) displaying special initiative and skill in completing an assignment or project before the deadline.

(c) using initiative and creativity in making improvements in a product, activity, program or service.

(d) ensuring the mission of the unit is accomplished during a difficult period by successfully completing additional work, or a project assignment, while maintaining the employee's own workload.

(e) accomplishing a specific, one-time, or special assignment, that required extra effort, or resulted in the

organization receiving recognition for responsiveness to unprogrammed requirements.

(f) successfully participating in a Customer Service Initiative.

(g) submitting a suggestion that has been adopted, but because the suggestion is considered to be within the employee's normal job responsibilities, the employee is not eligible for a cash award.

(5) Documentation

(a) Any time off award will be supported by appropriate written justification and will include a description of the reason for granting the award.

(b) The amount of time off will be documented on a PAR that will be retained in the employee's OPF. A separate PAR may be used for each separate award, or a single PAR may be used for all time off granted as an award during the leave year.

(c) When the time off award is used, it should be recorded as administrative leave, unless a separate time recording account has been set up locally.

(6) NAFIs can develop additional awards programs for employees within their activity. If such additional programs are developed, a copy of the award criteria should be forwarded to NAVPERSCOM (PERS-653) for information.

i. DON Honorary Awards. NAF employees are eligible for DON honorary awards such as the Distinguished Civilian Service Award, Superior Civilian Service Award, and Meritorious Civilian Service Award. Criteria and procedures for DON honorary awards are specified in DON, Human Resources Implementation Guidance, Guide Number 451-01 of 3 June 1998.

316. Erroneous Overpayment. When an employee is erroneously overpaid due to administrative error, other than position misclassification, restitution will be made to the NAFI. The employee will be notified in writing by the head of the function requiring repayment. The employee must reimburse the NAFI on a timely basis. Repayment may be made by short term payroll

deductions, a one time payroll deduction, or a direct cash reimbursement. In cases where the error was not intentionally initiated by the employee, and was outside the employee's influence, cognizant installation COs may waive repayment up to $500 per incident for travel related over-compensations, and up to $1,000 per incident for other types. Waivers for repayments in excess of these limits may be requested from NAVPERSCOM (PERS-65) through the major claimant with proper justification. Corrective pay calculations involving erroneous personnel actions other than FLSA issues will correct all errors within the last 6 years. The statute of limitations for FLSA claims is 2 years except in cases of willful violation where the statute of limitation is 3 years.

317. Mixed Job Pay. A mixed job involves performance on a regular and recurring basis of duties in two or more occupations at the same or different grade levels. A mixed job should be graded to the level of the duties that involve the highest skill requirements of the job and are a regular and recurring part of the job provided the duty is a major duty occupying at least 25 percent of the time. Every effort should be made not to mix pay band and C&T duties into the same PD. If this must be done, then the position is coded and graded to the type of position that best meets the overall KSA requirements of the position.

a. A NAF employee shall not be paid a separate rate of pay for work performed in two or more different occupations on a regular and recurring basis in the same NAFI. The only exception to this rule is that flexible employees may be given more than one appointment to different positions. These appointments will be to the same pay plan i.e., pay band to pay band or C&T to C&T. In the remarks section of the PAR, it should be noted that multiple positions and rates of pay are being used and the total hours per week to be worked. Overtime rules apply to the combined total hours in a day and a week depending upon the type of position. Multiple position appointments may not exceed three.

b. A mixed job description is not required for an on-call flexible employee who may be called upon to occasionally replace regularly scheduled employees in any position for which the flexible employee is qualified. These details should be temporary in nature not to exceed 120 days.

318. Employee Meals

a. The value of any meals provided to food service employees on the employer's premises, free or subsidized at less than the regular menu price, that is required to be taken during, immediately before, or immediately after the employee's working hours, is not to be included in the employee's wages, and is not subject to Federal income tax or FICA by either the employee or the employer.

b. Any meal, including sandwiches, that the employer furnishes for a charge, and the employee may be, but is not required to purchase, is not considered to be for "the convenience of the employer" and is, therefore, subject to taxation as follows: the difference between the cost incurred in furnishing the meal (value), less the amount charged (employees price) for the meal, is wages for the purposes of Federal withholding and FICA.

319. Garnishment of Wages. P.L. 102-94 allows the docking of pay in order to settle private debts. The law specifies the legal procedures that must be followed and places limits on the percentage of an employee's salary that can be garnished. This requirement became effective 3 February 1994, and states that agencies must honor a court order (writ) from any court of competent jurisdiction. NAF employees are also subject to the garnishment rules of 42 U.S.C., section 659 and 5 U.S.C., section 5520a. OPM implementing regulations, 5 CFR 581 and 582 apply to Executive Branch employees including NAF employees. The pay of NAF employees (including off-duty military personnel) may be attached by legal proceedings. Orders from State agencies also must be honored, when they are in alimony and child support cases. This includes the failure "to make or maintain child support, or alimony payments" if they are expressly made recoverable as child care or alimony under a decree, order or judgment, issued per applicable State or local laws, by a court of competent jurisdiction. These rules apply equally to men and women, depending on who is receiving the child support or alimony. Child support and alimony orders take priority over orders for collecting any other debts. For additional information, refer to SECNAVINST 7200.16. In addition, NAFI employees wage may be garnished through court order for commercial debts and for any of the reasons that the wages of private industry employees can be garnished.

320. Withholding Pay. Per 5 U.S.C., sections 5511 and 5512, NAFIs are authorized to withhold employees pay in the following circumstances:

a. If an employee indebted to the NAFI is removed for cause, the pay accruing to the employee will be applied, in whole or in part, to the satisfaction of any claim or indebtedness due the NAFI.

b. Individuals in Arrears. The pay of an individual in arrears to the NAFI will be withheld until the debt is accounted for, and paid to the NAFI. If possible, an agreement indicating the repayment arrangement should be developed and signed by employee upon employment or at any time thereafter.

c. Resignation Situations. If an employee resigns and does not turn in all assigned government equipment, etc. before departing, any remaining pay including the annual leave pay off due to the employee may be withheld to the extent necessary to satisfy the debt to the government.

d. Court Orders. NAFI payroll office must comply with all court orders for withholding pay from NAFI employees.

e. Government Issued Material. When employees are issued government material, etc., they should be required to sign a receipt that indicates the need to return it in good working order. The employee should have signed a receipt when the property was issued and the NAFI clearance process should include clearing all issuing agents.

f. Notification Requirements. When pay is going to be withheld in these situations, the employee must be notified in writing that this is occurring and the employee should be offered the opportunity to make full restitution and receive their pay in timely manner.

321. Recruiting Bonuses, Relocation Bonuses, and Retention Allowances. Recruiting and relocation bonuses, and retention allowance, may be authorized for RFT employees as tools to assist managers in building and maintaining a quality workforce. These bonuses and allowance are designed to offset unique problems where there is competition for employees with specialized skills in highly compensated private sector labor

markets. They are not a substitute for Incentive Awards, pay adjustments, or foreign and non-foreign area allowances. The broadness of the pay bands and the maximum for cash awards provide greater flexibility than for APF positions. Consideration should only be requested for exceptional cases after full use has been made of the pay and bonus capabilities have been exhausted. Written approval of NAVPERSCOM (PERS-653) shall be obtained before payment may be made. Figure 3-7 provides a sample of the documentation necessary for consideration. Approval will be given in those rare cases where the documented need and potential benefits to the Navy are exceptional. Recruiting and relocation bonuses and retention allowances are not considered part of the basic pay of the employee for any purpose, including calculation of retirement annuity.

a. Recruiting Bonus. A recruiting bonus is a one-time lump-sum payment of up to 25 percent of annual basic pay. The recruiting bonus may only be offered to individuals newly hired to fill RFT positions. The positions must be hard to fill and critical to the organization's mission. For purposes of eligibility, a newly hired employee is defined as an individual being hired to a NAF position for the first time, or one who is being reinstated or re-employed after a break in service of at least 1 year. An employee whose APF position is converted to NAF is ineligible for a recruiting bonus.

b. Relocation Bonus

(1) A relocation bonus is a one-time lump sum payment of up to 25 percent of annual basic pay.

(2) A relocation bonus may be offered to a current NAF employee to accept a RFT position in a different area requiring a PCS move. The relocation must be without a break in service. The bonus is intended for hard to fill positions that are critical to the organization's mission and also to induce employees to relocate to remote or high-cost areas. The relocation bonus is additional to payments authorized for PCS movement.

c. Retention Allowance

(1) A retention allowance of up to 25 percent of basic pay may be authorized to RFT employees in a position without time limitation. Retention allowances are paid in the same manner and at the same time as basic pay, although they are not considered part of basic pay. The retention allowance may be paid out over no more than 26 pay periods following the effective date of its approval.

(2) An annual review of approved situation shall be made 90 days prior to the anniversary date will be made by the NAFI to re-certify the need to continue payment of the retention allowance to NAVPERSCOM (PERS-653). The amount of the allowance may be reduced or terminated when it is determined that

(a) a lesser amount or no allowance at all, would be sufficient to retain the employee.

(b) labor market conditions have changed and recruitment of employees with needed qualifications would be possible.

(c) the need for the service of the employee has lessened.

(d) budgetary considerations preclude payment.

(e) when a determination is made to reduce or terminate the retention allowance, the employee will be given a 30-day advance notice. This action is not grievable.

322. Taxes

a. Federal income tax must be withheld from the compensation of civilian employees in conformance with the IRS code.

b. Deductions for State, county or municipal income tax will be made when applicable.

c. The FICA tax on wages will be deducted as required by the IRS Code section 3 101.

323. Tips

a. The IRS regulations establish procedures and requirements that must be understood and followed by both the employee and the employer in the administration of tips.

b. The word "tips" and "gratuity" are synonymous and are defined as an amount of money that a patron voluntarily gives to an employee. This money may be in the form of cash or may be added to a credit card in favor of an employee. This does not include the amount of the service charge that management adds to a contract for administration purposes. Tips must be disbursed to the employee(s) concerned and may not be retained by management. Voluntary tip-splitting arrangements or pooling of tips between recipients of the tip and other supporting personnel is authorized. Supervisors and managers shall not share in tip splitting.

c. Under IRS regulations, any individual who receives more than $20 per month in tips must report the amount of such tips to their employer, since these tips are subject to payment of Federal income tax and the employee share of FICA. The IRS requires that the employee report tips received on at least a monthly basis, but more frequently if management desires, in order to coincide with a pay system. IRS Form 4070 or any similar local form may be used for reporting purposes.

d. Service Charge. A service charge is a mandatory charge added to a patron’s bill or party contract. It is not a tip. At management’s option, a service charge may be disbursed to employees. If it is disbursed, it is treated as additional gross wages to the employee and is subject to tax. It should not be counted as tips received by the employee. Management personnel and personnel assigned administrative duties are prohibited from accepting tips or participating in receipt of distributed service charges.

324. Other Pay Provisions

a. A non-NAFI employee is not entitled to pay for any period exclusively devoted to applying for employment, pre-employment interviews and other pre-selection processes.

b. Pay for the date of separation will cover only the time the employee is in a duty or paid leave status. The employee shall be paid for time spent before separation in complying with activity clearance requirements.

c. Pay for the date of death will be made for the entire day regardless of the hour of death, provided the employee was in a pay status (work or leave) on the workday immediately preceding the date of death. Upon death of an employee, payment of the unpaid compensation will be made to the beneficiary designated by the employee on NAVPERS 5300/13.

d. When the effective date of two personnel actions are the same, the actions will be processed in the order giving the employee the greater benefit.

325. Back Pay Computation

a. When an appropriate authority, such as an administrative law judge or CO, directs in writing the correction or cancellation of what that authority determines to be an unjustified or unwarranted personnel action, the pay, allowances and differentials that the employee would have received if the personnel action had not occurred will be computed and paid. NAFI and employee contributions to a retirement plan are not covered or included. Leave that would otherwise have accrued had the unjustified or unwarranted personnel action not occurred will be restored or paid if circumstances do not allow for restoration.

(1) In order to make the computation the following information shall be requested:

(a) The individual will be given a written request to provide information concerning any income earned during the period, any periods of incapacitation during the period and any requests for leave that they wish to submit.

(b) The individual's supervisor will be given a written request to identify any overtime hours that the employee would have worked if they had been in a pay status.

(c) General pay increases and step increases and changes in leave earning category that the individual would have

received during the absence will be determined and included in the computation.

(2) The computation of the amount of back pay will exclude the following:

(a) Any period that the employee was not ready, willing and able to perform the duties of the position because of an incapacitating illness or injury.

(b) Any period during which the employee was unavailable for work for reasons other than those related to or caused by, the unjustified or unwarranted personnel action.

(3) In computing the back pay award

(a) sick or annual leave available to the individual and requested with appropriate justification for use will be granted.

(b) deduct earnings by the employee from other employment during the period covered by the corrected or canceled personnel action. Such other employment will include only that employment engaged in by the employee to take the place of employment from that which the employee was separated or suspended by the unjustified or unwarranted personnel action. Only pay in excess of the pay that the employee had been receiving from an additional or moonlight job held prior to the unjustified or unwarranted personnel action will be deducted. The rate of moonlight job pay the employee was receiving prior to the action will be excluded.

b. Any annual leave that is restored to an employee that is in excess of the normal maximum leave accumulation will be credited to a separate leave account. The gross lump sum payment that the employee received will be deducted from the back pay.

c. Any severance pay given will be deducted from the back pay.

d. Retirement refunds will be deducted from the back pay and returned to the retirement fund. Erroneous retirement annuity payments will also be deducted from back pay.

e. Medical and life insurance premiums will be deducted if the employee was enrolled when the action occurred and any claims the employee accrued during the period may be submitted for consideration of payment according to the plan's benefit schedule.

f. Interest will be paid as appropriate.

326. Movements Between Pay Systems. The following applies when an employee is being moved between C&T and pay band pay systems.

a. Pay will be set per the requirement of the gaining system.

(1) Moving to a C&T Position from a Pay Band Position. When moving to a C&T position, the representative rate for a NF or CC position is the employee's current rate of pay. If the current rate of pay is more than step 2 of the employee's current C&T position it is processed as a demotion. If it is less then it is processed as a promotion. The representative rate for C&T positions is step 2 of the employee's grade.

(2) Moving to a Pay Band Position from a C&T Position. When an employee is moving to a NF or CC position, the mid-point of the pay band level will be considered the representative rate. If the mid-point of the pay band is more that step 2 of the C&T position occupied it is a demotion. If it is less, then it is a promotion.

DUAL COMPENSATION SAMPLE LETTER

(Date)

From: NAFI (Name)
To: (Employee's Name)

Subj: DUAL EMPLOYMENT AND DUAL COMPENSATION ACT

Ref: (a) 5 U.S.C., 5533A

1. The Dual Compensation Act, reference (a) states that "an individual is not entitled to receive basic pay from more than one position for more than an aggregate of 40 hours of work in any 1 calendar week."

(Signature)

- -

(Date)

FIRST ENDORSEMENT

From: (Employee's Name)
To: NAFI (Name)

1. I certify that I am/am not employed by the Federal government (civil service or NAF) in any position other than the one for which I have been selected.

2. I understand that if I am employed in another position, I cannot work for more than an aggregate of 40 hours in a basic work week, and if I do, any overpayment is subject to repayment and any leave accrual is subject to forfeiture.

3. I further agree that I will immediately report any future position that I may accept with the Federal government while I am currently employed at this activity.

(Employee Signature)

Figure 3-1

TRAVEL TIME AND HOURS OF WORK

1. Under the FLSA travel is hours of work for non-exempt employees if any of the following criteria are met:

a. The employee is required to travel during regular working hours.

b. The employee is required to drive a vehicle or perform other work while traveling.

c. An employee is required to travel as a passenger on an overnight assignment away from the official duty station during hours on non-work days that correspond to the employee's regular working hours.

2. An employee who travels from home before the regular work day begins and returns home at the end of the work day is engaged in normal "home to work" travel; such travel is not hours of work. When an employee travels directly from home to a temporary duty station outside the limits of the employee's official duty station, the time the employee would have spent in normal home to work travel shall be deducted from hours of work.

3. An employee who is offered one mode of transportation, and who is permitted to use an alternate mode of transportation, or an employee who travels at a time other than that selected by the agency, shall be credited for hours of work of the lesser of the following:

a. The actual time that is hours of work under this section.

b. The estimated travel time which would have been considered hours of work under this section had the employee used the mode of transportation offered by the agency, or traveled at the time selected by the agency.

4. A commuting area is normally defined as a place within a 50-mile radius of the duty station.

Figure 3-2

TRAINING TIME AS HOURS OF WORK

1. Time spent in training shall be administered as follows:

a. Time spent in training during regular working hours shall be considered hours of work.

b. Time spent in training outside regular working hours shall be considered hours of work if:

(1) the employee is directed to participate in the training by their employing agency.

(2) the purpose of the training is to improve the employee's performance of the duties and responsibilities of their current position.

c. Time spent by an employee performing work for the NAFI during a period of training shall be considered hours of work.

d. Definitions

(1) Directed to participate means that the training is required by the NAFI and the employees performance or continued retention in their current position will be adversely affected by non-enrollment in such training. The fact that a NAFI pays for all or part of the expenses of training does not create an entitlement to overtime hours of work unless participation in the training is directed by the NAFI.

(2) Training to improve the employee's performance of their current position" is distinguished from upward mobility training or developmental training to provide an employee the knowledge or skills needed for a subsequent position in the same career field.

Figure 3-3

TRAINING TIME AS HOURS OF WORK (CONT'D)

e. Time spent by an employee within a NAFIs allowance of preparatory time for attendance at training shall be considered hours of work if such preparatory time is

(1) during an employee's regular working hours.

(2) outside the employee's regular working hours, and the purpose of the training meets the requirements of paragraph (b)(2) above.

f. Time spent attending a lecture, meeting, or conference shall be considered hours of work if attendance is

(1) during an employee's regular working hours.

(2) outside an employee's regular working hours; and

(a) the employee is directed by the NAFI to attend such an event.

(b) the employee performs work for the benefit of the agency during such attendance.

Figure 3-3

SAMPLE PAY BAND PAY CALCULATIONS

1. Exempt full time regular employees with a 40-hour administrative workweek of Sunday through Saturday. The scheduled workdays are Monday through Friday.

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Employee A		HO	8	8	8	8	
Employee B		HO	8	8	8	8	8
Employee C		HW	8	8	8	8	8
Employee D		8HW	8SL	8	8	8	8

HO is holiday off
HW is holiday work
SL is sick leave

a. Overtime was requested and approved in advance for employees B, C and D.

b. Employee A would be paid for 40 hours at the basic rate of pay as long as the employee was in a pay status the work day before or the workday after the holiday. The pay the employee receives for Monday is holiday pay. A C&T employee would also be paid 40 hours at the basic rate of pay.

c. Employee B would be paid for 48 hours at the basic rate of pay as long as the employee was in a pay status the workday before or the workday after the holiday. The pay the employee receives for Monday is Holiday pay. The employee did not have over 40 hours of work in the week so the pay cannot be paid as overtime or credited as compensatory time. The holiday off does not count as hours of work under FLSA. A C&T employee would be paid overtime for the 8 hours as leave and holidays off count as hours of work under 5 U.S.C.

Figure 3-4

SAMPLE PAY BAND PAY CALCULATIONS (CONT'D)

d. Employee C would be paid for 40 hours at the basic rate of pay, 8 hours of holiday premium since the holiday was worked and 8 hours of overtime pay since the employee has more than 40 hours of FLSA defined work in the week. This 8 hours of overtime pay could be compensatory time and the employee would not get the 8 hours of overtime pay. A C&T employee would also receive 8 hours of overtime pay. NF-3 and above employees can be given another day off instead of being paid holiday premium.

e. Employee D would be paid for 8 hours of holiday premium as the holiday was worked or given another day off if NF-3 or above, 8 hours of holiday pay, 8 hours of SL and 32 hours of regular pay, as the sick leave does not count as hours of work. The hours over 40 cannot be paid as overtime or credited as compensatory time. A C&T employee would receive 8 hours of overtime pay as all paid time counts as hours of work under 5 U.S.C.

2. Nonexempt full time regular employees with a 40 hour administrative workweek of Sunday through Saturday. The scheduled workdays are Monday through Friday.

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Employee D		HO	8	8	8	8	
Employee E		HO	8	8	8	8	8
Employee F		HW	8	8	8	8	8
Employee G		8HW	8SL	8	8	8	8

HO is holiday off
HW is holiday work
SL is sick leave

a. Overtime was requested and approved in advance for employees E and F.

Figure 3-4

SAMPLE PAY BAND PAY CALCULATIONS (CONT'D)

b. Employee D would be paid for 40 hours at the basic rate of pay as long as the employee was in a pay status the workday before or the workday after the holiday. The pay the employee receives for Monday is holiday pay.

c. Employee E must be paid for 48 hours at the basic rate of pay as long as the employee was in a pay status the workday before or the workday after the holiday. The pay the employee receives for Monday is Holiday pay. The employee does not have over 40 hours of FLSA work in the week. Therefore, none of the time can be paid as overtime or credited as compensatory time. The holiday off does not count as hours of work under FLSA. The nonexempt employee must be paid for all hours worked. A C&T employee would have received 8 hours of overtime as all paid time counts under 5 U.S.C..

d. Employee F would be paid for 40 hours at the basic rate of pay, 8 hours of holiday premium since the holiday was worked and 8 hours of overtime pay since the employee has more than 40 hours of work in the week. This 8 hours of overtime pay could not be made compensatory time as nonexempt employee cannot receive compensatory time. The nonexempt employee must be paid for all hours worked. A C&T employee would also receive 8 hours of overtime.

e. Employee G would be paid for 8 hours of holiday premium pay, 8 hours of holiday pay, 8 hours of SL and 32 hours at the basic rate of pay. The sick leave does not count as hours of work so the pay cannot be paid as overtime. The nonexempt employee must be paid for all hours worked. In this case the 8 hours Saturday would fall into the category of "suffered and permitted. A C&T employee would receive 8 hours of overtime pay as all paid time counts toward hours of work for them.

3. Sunday premium and shift differential if NAFI policy is to pay them. The employee's tour of duty is 1300-2200 with lunch from 1800-1900.

Sun	Mon	Tue	Wed	Thu	Fri	Sat
8	8	8	8	8		

Figure 3-4

SAMPLE PAY BAND PAY CALCULATIONS (CONT'D)

a. The employee gets Sunday premium as long as the employee does not take off on Sunday for leave, holiday, etc. Leave on other workdays has no impact on the Sunday premium.

b. The employee gets 3 hours of shift differential as this is the number of hours worked between 1800 and 0600. The lunch is not work time.

Figure 3-4

SAMPLE PGA PROFESSIONAL GOLF INSTRUCTOR CONTRACT

1. This contract is by and between the _____, located at _____ hereinafter referred to as the Nonappropriated Fund Instrumentality (NAFI), and _____ hereinafter referred to as the PGA instructor. The PGA instructor is to provide golf lessons for beginner, intermediate and advanced golf students on an individual or group basis. Such instruction shall be the result of a mutual agreement between the PGA instructor and each student as to scheduled time and number of lessons.

2. Golf lessons shall be offered to students to either learn the basic skills or advance their golfing skills at a steady pace. Students will be offered instruction in every facet of the game including: grip, stance, address, swing principles, chipping, pitching, driving, putting, sand play, and trouble shots.

3. The PGA instructor shall schedule lessons to accommodate the number of students registered and make required schedule adjustments to facilitate optimal learning conditions with regard to ages, skill level, and individuals involved. Lessons may be scheduled all days of the week with instruction being provided during periods that the instructor is off-duty. Lesson schedules shall be coordinated with the golf shop staff to ensure that there are no conflicts with tournament requirements on the driving range and teaching areas.

4. The instructor is fully cognizant that this contract is a contract for golf lessons during off-duty time, and, at such time, an employee-employer relationship does not exist between the instructor and the NAFI. The instructor shall be off the clock giving lessons and is not considered an employee of the NAFI. The PGA instructor is not covered by workers' compensation, group life, accident or health insurance, the NAFI self-insurance fund or other benefits associated with an employer employee relationship. The PGA instructor is an independent contractor and must obtain at the instructor's own expense all licenses and permits, pay such taxes and fees as may

Figure 3-5

SAMPLE PGA PROFESSIONAL GOLF INSTRUCTOR CONTRACT (CONT'D)

be required of the instructor by Federal, State, and local governments in the execution of the terms of this contract and obtain liability insurance as required by BUPERSINST 5890.1. The instructor shall comply with all laws, rules, and regulations applicable to the service provided under this contract.

5. The PGA instructor shall ensure that all students are registered and have paid in the golf shop before proceeding with scheduled lessons. Receipts will be presented and retained by the instructor.

6. The PGA instructor shall be responsible for the completeness, accuracy and timeliness of lessons. The "lesson book" will be located in the golf shop with available times noted for lessons. The golf shop staff will ensure that all required information is completed on the "student lesson card" provided by the PGA instructor when the student signs up for a lesson for the first time. After lessons are completed, the PGA instructor shall attach the receipt to the student card and include with the payment request at the end of each month.

7. The NAFI will provide a designated area on the driving range and range balls in good condition. Students who do not have their own equipment may have access to a "rental club set" which is in good condition.

8. All lessons will be scheduled to comprise either a half-hour or one-hour duration and will begin and end on time.

9. Lesson fees shall be as follows

_____
_____
_____
_____
_____

10. The NAFI will pay the golf instructor ___ percent of collected fees for golf lessons. (NOTE: Common practice is for

Figure 3-5

SAMPLE PGA PROFESSIONAL GOLF INSTRUCTOR CONTRACT (CONT'D)

Class "A" PGA Professionals to receive 90 percent of collected fees for golf lessons. PGA apprentices 80 percent of the collected fees).

11. This agreement shall be for (____) days, (____) months, (____) year(s) from the effective date of this contract. The contract may be extended for additional periods (when in the best interest of the NAFI). The extensions may not exceed (____) days, (____) months (____) year(s). In no event, however, will the period of performance exceed 5 years.

12. This contract will become effective upon signature by both parties.

13. NAF Contract clauses apply (see attached).

_____
PGA Professional Golf Instructor Date

_____
NAF Contracting Officer Date

Figure 3-5

SAMPLE INSTRUCTOR CONTRACT

1. This contract is by and between the _____, located at _____ hereinafter referred to as the Nonappropriated Fund Instrumentality (NAFI), and _____ hereinafter referred to as the instructor.

2. The instructor shall provide the following instruction during the dates and times, and at the locations listed below:

_____
_____
_____
_____

3. The instructor shall schedule lessons/classes to accommodate the number of participants registered and make required schedule adjustments to facilitate optimal conditions with regard to ages, skill level, and individuals involved. Schedules shall be coordinated with _____ to ensure that there are no schedule conflicts.

4. The fees for instruction are as follows:

_____
_____
_____ and will be paid to _____. Instructor shall ensure that all participants are registered and have paid before proceeding with scheduled lessons.

5. The instructor shall be responsible for the completeness, accuracy and timeliness of instruction. A schedule will be located in the _____ with available times noted for instruction.

6. The instructor is fully cognizant that this contract is a contract for instruction during off-duty time, and at such time, an employee-employer relationship does not exist between the instructor and the NAFI. The instructor is off the clock while giving instruction and is not considered an employee of the NAFI. Workers' compensation, group life, accident or health insurance does not cover the instructor; neither the NAFI self-insurance fund nor other benefits associated with an

Figure 3-6

SAMPLE INSTRUCTOR CONTRACT (CONT'D)

employee-employer relationship but is rather an independent contractor. Therefore, it is the instructor's responsibility to obtain, at their own expense, all licenses and permits, and to pay such taxes and fees as may be required of the instructor by Federal, State, and local governments in the execution of the terms of this contract. The instructor shall comply with all laws, rules, and regulations applicable to the service performed under this contract.

7. The NAFI will provide a designated space for instruction.

8. This contract will be for (____) days, (___) months, (____) year(s) from the effective date of this contract. The contract may be extended for additional periods (when in the best interest of the NAFI). The extensions may not exceed (____) days, (____) months, (____) year(s). In no event, however, will the period of performance exceed 5 years.

9. The contract will become effective upon signature by both parties.

10. The contract clauses apply (see attached).

_____
Instructor Date

_____
NAFI Contracting Officer Date

Figure 3-6

SAMPLE RECRUITMENT/RELOCATION BONUS, RETENTION ALLOWANCE DOCUMENTATION PACKAGE

1. Coverage:

a. xxxxxx NAFI requests authority to pay (recruitment or retention or relocation) bonuses to employees in the following grades and series:

b. NF-0334-04 (List series and grades involved.)

2. Certification:

a. The request must contain the following justification and be signed by the CO and the extent to which existing flexiblities have been utilized.

(1) Completed service agreement.

(2) Recruitment Bonus. Certify, absent a recruiting bonus, the activity would have difficulty filling the position with a highly qualified candidate. Describe efforts made to recruit to fill the position. Include

(a) The results of recent efforts to attract quality candidates for similar positions.

(b) Information regarding offers made and acceptance rate.

(c) Number of pending vacancies.

(d) Length of time required to fill similar positions.

(e) Recent turnover in similar positions.

(f) Labor market factors that affect the organization's ability to recruit high-quality candidates for similar positions.

Figure 3-7

CHAPTER 4
CLASSIFICATION

401. Classification Policy. The head of the NAFI shall ensure equitable and efficient classification and pay administration while properly balancing fiscal constraints with the need to recruit and retain a high quality workforce. Supervisors shall continually ensure the accuracy and currency of the PDs of their subordinates. They shall review the position duties and discuss them with the assigned employees during the annual performance review process. DOD classification policy is in DOD 1400.25-M, subchapter 1405 and appendices thereto.

a. Classification and Pay Systems for NAF Employees

(1) NF Pay Band System

(a) Figure 4-1 along with a more detailed description of work characteristics for each band and a hierarchy of position guides or standard jobs for each band are used to place a positions set of duties in the proper band. Any available Office of Personnel Management, Office Secretary of Defense (OPM, OSD) or NAVPERSCOM guidance on classification may be used as appropriate.

(2) CC Pay Band System

(a) The CC pay band system covers caregiver employees in the 1702 series. It implements the provision of chapter 88 of 10 U.S.C. that require wages competitive with other Federal employees in the labor pool. It is consistent with DODI 6060.2 of 19 January 1993. All caregiver personnel are assigned to one of the standard position descriptions available at http://www.mwr.gov under personnel.

(3) C&T Federal Wage System (FWS)

(a) P.L. 92-392 originally established the NAFI FWS for C&T employees. Mandatory instructions for implementing the system are contained in the OPM Operating Manual for NAF Wage System that supplements 5 CFR 532. This manual can be found at http://www.opm.gov.feddata/persdoc.htm. DOD 1400.25-M, SC 1405, appendix 2 provides supplemental instructions. DODD 5120.42 of 19 May 1977 defines the authorities and responsibilities of the

WSD for determining pay tables for NAF employees.

b. While the size of the organizational unit and number of subordinates supervised may affect the grade of a supervisor or manager, these factors alone may not be used in determining the grade of supervisory or managerial positions. In grading these positions, other factors will be considered, such as kind, difficulty, and complexity of work supervised; degree and scope of responsibility delegated to the supervisor and kind, degree, and scope of the supervision exercised.

c. NAVPERSCOM (PERS-653) has developed standardized PDs. These standard PDs are on http://www.mwr.navy.mil and shall be used if at all possible. Heads of NAFIs may modify these PDs as long as the modifications do not cause the duties of the position to fall into a different pay band. The head of the NAFI shall sign the OF-8 as the classification authority when these standard PDs are used.

d. Position classification authority to classify all positions in pay band 1 through 4 and all wage system positions is delegated to the CO. The CO may delegate this authority to a NAF or APF trained and certified classification specialist. Figure 4-1 gives the requirements for NAF employees to become an MWR NAF certified classification specialist. A copy of the CO's delegation along with a listing of the delegated individual's classification training and experience will be forwarded to NAVPERSCOM (PERS-653). In the absence of a local delegation, NAFI PDs shall be sent to NAVPERSCOM (PERS-653) for classification

e. NAVPERSCOM (PERS-653) is the only classification authority for NF-5 and above positions.

f. Establishment or appointment to a position evaluated at the NF-6 level requires the prior approval of Assistant Secretary of the Navy (Manpower and Reserve Affairs) (ASN (M&RA)).

402. Classification Appeals, Complaints, and Grievances

a. General. All employees have the right to file a position classification complaint and appeal concerning their own positions.

b. C&T Employees

(1) Classification Appeals. A C&T employee may appeal the grade, title, or series of the employee's assigned position at any time. The classification or job grading standards for the job, nor other matters such as the accuracy of the PD, the rate of pay, or the propriety of a wage schedule rate may not be appealed.

(2) PD Accuracy. Dissatisfaction with the accuracy of the PD shall be resolved locally through discussion and review with the supervisor and if necessary the grievance procedure.

(3) Classification Review and Appeal Procedures

(a) C&T classification appeals will be sent through the head of the NAFI to NAVPERSCOM (PERS-653) for review and adjudication.

(b) Decisions on classification appeals will normally be completed within 60 days of the date the employee filed the appeal. NAVPERSCOM (PERS-653) will base its decisions on the record. The decisions will include an analysis of the employee's job, compared with guidance on classification published by OPM, DOD NAF personnel policy office, or NAVPERSCOM (PERS-653) for FWS positions. If the decision sustains the employee's appeal and corrective action is necessary, the effective date of change in the grade of the job will not be later than the first day of the first pay period, beginning after the 60th day from the date the appeal was filed. If the request is not sustained, the employee will be advised that they have the right to appeal to OPM. (See OPM's operating manual for NAF wage system, SC S7-7, for additional information) (available to order at website http://www.opm.gov/classapp//index.asp).

(c) The employee may file an appeal to OPM if the employee is dissatisfied with NAVPERSCOM (PERS-653) decision.

The appeal must be filed within 15 days of the date of receipt of NAVPERSCOM (PERS-653) decision.

c. Pay Band Employees

(1) A pay band employee may grieve the assignment of the assigned position to a particular band. Either the negotiated grievance procedure or the administrative grievance procedure will be used as appropriate. Per 5 U.S.C. 7121, the negotiated grievance procedure may be used only if the classification results in a pay or pay band reduction. Bargaining unit employees may use the administrative grievance procedure for classification complaints regarding actions that do not result in a reduction in pay or pay band. While the final step in the administrative grievance procedure ends with the CO, classification actions that involve classifications issued by NAVPERSCOM (PERS-653) shall be reviewed by them before issuance of the final grievance decision.

(2) A NAF employee may appeal the title, series or pay band of a position description classified below NAVPERSCOM (PERS-653) to NAVPERSCOM (PERS-653). NAVPERSCOM (PERS-653) is the final level of appeal for NAF positions. There is no appeal of positions initially classified by NAVPERSCOM (PERS-653).

d. Content of Classification Appeals. An employee's classification appeal, complaint or grievance will be in writing and will clearly state the reasons the employee believes their job is erroneously classified or assigned to the wrong pay band. The appeal will include

(1) the appealing employee's full name and mailing address.

(2) the location and organizational designation of employment.

(3) the current title, series, and grade/pay band.

(4) the requested title, series, and grade/pay band.

(5) a statement of facts that the employee believes may affect the classification of the position.

(6) a statement that the employee agrees the PD accurately reflects their current duties and responsibilities.

e. Employee Responsibilities. The employee will furnish any additional facts promptly that may be requested by the appropriate authority.

f. Time Limit for Filing Classification Appeal. An employee may file an initial appeal at any time. Appeals to OPM shall be within 15 days of the NAVPERSCOM (PERS-653) decision. When the appeal involves a reduction in grade, or loss of pay, it must be filed within 15 calendar days of the effective date to establish and maintain entitlement to retroactive corrective action. This time limit may be extended if the employee can show that they were not notified of the time limit, were not aware of it, or were prevented by circumstances beyond their control from filing an application within the prescribed time limit.

g. Cancellation of Appeal. An employee's application for review or appeal will be canceled immediately when

(1) the employee requests, in writing, the termination of their application.

(2) the employee is no longer in the job that was the subject of the application, except when the employee is entitled to retroactive benefits, including benefits allowable after the death of the employee.

(3) an employee fails to prosecute or furnish required information promptly.

h. Processing Appeal Decisions

(1) When a classification action results in a change in grade or in pay, the head of the NAFI will notify the affected employee promptly, in writing, of the decision and the effective date. The normal effective date of a change in pay, because of a grading or re-grading of a position is the date the action is approved in the agency, or a later date specifically stated. The effective date may not be later than the beginning of the first pay period that begins after the 60th day from the date of the classification decision that results in a change to a lower

grade, or loss in pay. The notice will advise the employee about any further right for review. Additionally the notice will specify that to be entitled to the retroactive corrective action, the employee must request review within 15 calendar days of the effective date of the change to a lower grade or loss of pay.

(2) Employees have the right to be represented and advised by a representative of their own choosing and to take a reasonable amount of official time to present the application. The employee and the employee's representative will be free from restraint, interference, coercion, discrimination, or reprisal, because of their participation in the review system.

(3) The filing of a job grading appeal does not negate any other appeal, or grievance rights, which may be available under applicable laws, rules, regulations or negotiated agreements.

i. Position Classification Appeals Review File. The head of the NAFI is responsible for maintaining a position classification review file that will constitute the review record. This record may not contain any information that is not made available to the employee. The review file will include

(1) an individual PD that certifies that the duties are accurate. If this cannot be accomplished, documentation of disputed duties and responsibilities will be attached to the official PD.

(2) pertinent organizational charts reflecting the location of the position.

(3) an analysis and evaluation of the duties and responsibilities of the employee, as compared with appropriate standards, and a copy of the review decision.

(4) component recommendations, or any supplementary information bearing on the employee's duties and responsibilities.

(5) a copy of the PAR implementing any changes in pay band, grade or rate of pay received as a result of the appeal.

j. Correction of a Classification Error. Saved pay is authorized when an employee is changed to a lower grade or pay band as a result of the correction of a classification error, provided the employee has served for 1-continuous year at a pay band or grade higher than the one to which demoted.

403. Position Description (PD) Format

a. New pay band PDs should include the following Factor Evaluation System (FES) format:

(1) Introduction

(2) Major Duties

(3) Factor 1 - Knowledge Required by the Position (include recommended job qualifications).

(4) Factor 2 - Supervisory Controls.

(5) Factor 3 – Guidelines.

(6) Factor 4 – Complexity.

(7) Factor 5 - Scope and Effect.

(8) Factor 6 - Personal Contacts.

(9) Factor 7 - Purpose of Contacts.

(10) Factor 8 - Physical Demands.

(11) Factor 9 - Work Environment.

b. New C&T descriptions should be written in the following format:

(1) Introduction.

(2) Major Duties.

(3) Skill and Knowledge Required.

(4) Responsibility.

(5) Physical Effort.

(6) Working Conditions.

c. All supervisory or leader PDs (pay band and C&T) should include a listing by title, series and grade of the positions being led or supervised. These should also contain the supervisory evaluation factors found in the OPM supervisory classification standards.

PAY BANDING CLASSIFICATION AND PAY SYSTEM FOR WHITE COLLAR NAF EMPLOYEES

WORK LEVEL, PAY CATEGORY	COMPARABLE GS GRADE	BASIC WORK CHARACTERISTICS OF BAND	EXAMPLES OF JOBS COVERED
Junior Clerical/ Customer Svcs NF-1	GS-1-3	Routine clerical and customer service duties such as filing, receptionist, typing demonstrating and selling merchandise, receiving money and making change.	Computer, Accounting, Personnel, Operations, Supply, Sales, Mail, File and Desk Clerk. Receptionist, I.D. Checker, LifeGuard, Recreation Aid, Cashier, Duty Officer, Courier, Clerk Typist, and Customer Service Assistant.
Senior Clerical/ Customer Svcs NF-2	GS-4	More complex clerical, customer service, admin and technical support duties such as typing, shorthand, creating and maintaining files, applying regulations, conducting studies, demonstrating and selling merchandise, planning and conduction patron activities, supervising activities.	Recreational Assistant, Water Safety Instructor, Secretary, Cashier, Computer or Personnel Clerk/Assistant, Illustrator, Club Operations Assistant, Payroll Clerk/Technician, Senior Sales Clerk, Accounting Technician, and Head of Customer Service.

Figure 4-1

PAY BANDING CLASSIFICATION AND PAY SYSTEM FOR WHITE COLLAR NAF EMPLOYEES (CONT'D)

WORK LEVEL, PAY CATEGORY	COMPARABLE GS GRADE	BASIC WORK CHARACTERISTICS OF BAND	EXAMPLES OF JOBS COVERED
Specialist/ Management NF-3	GS-5-8	Band includes management entry jobs and certain admin and technical full performance jobs. Also includes jobs that assist full performance specialist in the following program areas: sports, acct., payroll, budget, theater programs, catering, computer centers, personnel, and retail	Retail or Stockroom Manager, Administrative Assistant or Secretary, Recreation Specialist, Supervisory Recreation Specialist, Computer Specialist, Accounting Technician, Illustrator, Bowling Center Manager, Caterer, Club Manager, Procurement or Purchasing Agent.

Figure 4-1

PAY BANDING CLASSIFICATION AND PAY SYSTEM FOR WHITE COLLAR NAF EMPLOYEES (CONT'D)

WORK LEVEL, PAY CATEGORY	COMPARABLE GS GRADE	BASIC WORK CHARACTERISTICS OF BAND	EXAMPLES OF JOBS COVERED
Senior Specialist Management NF-4	GS-9-12	A subject matter expert in a highly specialized area, responsible for developing local regulatory compliance procedures, and addressing related problems. Representing area of expertise to a NAFI and performing the full range of supervisory duties, evaluating program effectiveness, representing program to customer, coordinating support services. In an audit review capacity, conducting surveys and studies of activities and functions. Examining mission, funding, organization, reports, functional statements, etc., to correlate, analyze, determine and recommend management action to resolve problems or improve efficiency of operations.	Senior Auditor, Mechanical Engineer, Food Activity Manager (Burger King), General Manager (Exchange), Retail & Branch Managers, Family Support, Personnel, Recreation, and Support Services, Recreation Specialist, Employee Relations Specialist, Computer Specialist, Program Analyst, Support Services Supervisor, Food and Beverage Director, Marketing Spec, MWR Director.

Figure 4-1

PAY BANDING CLASSIFICATION AND PAY SYSTEM FOR WHITE COLLAR NAF EMPLOYEES (CONT'D)

WORK LEVEL, PAY CATEGORY	COMPARABLE GS GRADE	BASIC WORK CHARACTERISTICS OF BAND	EXAMPLES OF JOBS COVERED
Top Mgmt NF-5	GS-13-15	Typically mgt/supv-positions. Staff specialist positions at a regional or national level may be included. Includes managing a large NAFI at a large installation or directing a major program area at regional level. Planning, organizing and conducting a comprehensive program integrating a variety of resources at the national level. Serving as a consultant, providing guidance, assistance and advice to field activities. Coordinating with other national staff and other military departments. Planning, coordinating, directing and controlling all phases of a major area/division within NAFI. Developing or revising long range plans and policies which impact the NAFI and service community. Directing the mgmt of subordinated activities to include examining and making recommendations concerning expansion, relocation, or discontinuation.	General Manager (Exchange), Attorney, Retail Manager (Main Store), Family Support Officer, Personnel Management Spec or Officer, Sr.Policy and Program Analyst, Comptroller, Finance Manager, Club Manager, Community Operations Officer, Benefits Program Manager, Club Coordinator and MWR Director.

Figure 4-1

PAY BANDING CLASSIFICATION AND PAY SYSTEM FOR WHITE COLLAR NAF EMPLOYEES (CONT'D)

WORK LEVEL, PAY CATEGORY	COMPARABLE GS GRADE	BASIC WORK CHARACTERISTICS OF BAND	EXAMPLES OF JOBS COVERED
Senior Executive NF-6	SES ES 1-6	Executive positions, with extension mission accomplishment responsibilities in directing an entire NAF component or a major sub-division thereof.	Director Hospitality Management (Component Level), Chief Operating Officer (entire exchange system)

Figure 4-1

REQUIREMENTS TO BE A CERTIFIED MWR NAF CLASSIFICATION SPECIALIST

1. NAVPERSCOM (PERS-653) currently has standard PDs on the MWR website at http://www.mwr.navy.mil. These shall be used if possible. These standard PDs cover most of the positions within MWR. In order to help maintain consistency of classification decisions within MWR, the following guidelines will apply:

a. The head of NAVPERSCOM (PERS-653) has full delegated classification authority for all MWR positions and is the only person authorized to classify NF-5 and above positions.

b. Classification authority is also delegated to the installation CO and this authority may only be further delegated to classification specialists who are certified by NAVPERSCOM (PERS-653) or to a certified APF classifier. There should not be more than one certified classifier per NAFI.

c. In order to become a NAF certified classifier an individual must

(1) complete the 10-day Basic Position Classification Course, 42JA, offered by the United States Department of Agriculture (USDA) graduate school.

(2) complete the 16-hour self study course, Planning and Describing Positions for Supervisors Course, 86CF, offered by the USDA graduate school.

(3) have 1-3 years of experience as a position classification specialist or submit classification actions for 1 year to NAVPERSCOM (PERS-653) for review and concurrence. The actions submitted must demonstrate accuracy and understanding of pay band and C&T position classifications.

(4) complete the 4-day Advanced Position Classification Course, 42JB, offered by USDA graduate school.

Figure 4-2

REQUIREMENTS TO BE A CERTIFIED MWR NAF CLASSIFICATION SPECIALIST (CONT'D)

2. All training classes should be completed within the last 3 years. Upon completion of the above training, the request for certification accompanied by the course completion certificates will be signed by the CO. If the individual has completed the required training but does not have the required classification experience, the request should be sent and the request will be held until the individual has demonstrated to NAVPERSCOM (PERS-653) the ability to properly classify positions using paragraph c(3) above. NAVPERSCOM (PERS-653) will then issue a letter certifying the individual when all training and experience requirements are fulfilled.

Figure 4-2

CHAPTER 5
WORK ATTENDANCE AND LEAVE

501. Overall Policy. NAFIs will establish uniform and equitable work schedules, work hours, and attendance requirements, essential to the health and welfare of NAF employees and to conform to applicable executive orders, and DOD and DON directives.

502. Absence and Leave Definitions

a. Absence Without Leave (AWOL). Absence from duty that has not been authorized or approved by the appropriate authority per the provisions of this instruction.

b. Accrued Annual Leave. Leave earned which is credited to an employee's account during the current leave year.

c. Accumulated Annual Leave. Unused annual leave remaining to the credit of an employee at the end of any pay period.

d. Accrued Sick Leave. Leave accrued and credited to an employee's account during the current leave year.

e. Accumulated Sick Leave. Unused sick leave remaining to the credit of the employee at the end of any pay period.

f. Administrative Leave. The administratively authorized absence from duty without loss of pay, and without charge to earned leave.

g. Break-in-Service. A separation from the rolls for a period of 1 day is considered a break in service under the Interchange Agreement (see chapter 14). For most other situations a break in service is a break of more than 3 calendar days. A period of absence for military duty or worker compensation, followed by the timely exercise of reemployment rights, is not regarded as a break in service for purposes of this instruction.

h. Compensatory Time for Religious Purposes. An overtime period an employee elects to work for the purpose of taking an equal amount of time off for religious observance, instead of overtime pay and without charge to leave.

i. Continuous Service. The total period of time, from the date of appointment until the date of separation, irrespective of pay status during such period.

j. Court Leave. The authorized absence of an employee from work status for jury duty, or to appear as a witness in an unofficial capacity on behalf of the U.S. Government.

k. Home Leave. Leave authorized by administrative adoption of 5 U.S.C., section 6304(a), and earned by service abroad for use in the U.S., in the Commonwealth of Puerto Rico, or in the territories or possessions of the U.S. upon renewal of an overseas tour (also see chapter 8).

l. Leave Year. The period that begins on the first day of the first full pay period in January and ends on the last day of the last pay period that starts in December each year. The cut off date for "use or lose" annual leave is the end of the last pay period that begins in December and ends in January of the new year.

m. LWOP. Approved non-pay status and absence from duty.

n. Military Furlough. A leave of absence, or separation of a regular full-time or regular part-time employee, for induction or recall to active duty in one of the U.S. military services.

o. Military Leave. Absence from duties without loss of pay, time, or performance ratings, for those NAF employees who are members of Reserve components of the U.S. armed forces, including the National Guard on days in which they are engaged in temporary active duty or inactive duty for training.

p. Tardy (Lateness). Employees reporting to work late may be deemed late based on the interpretation of the supervisor. When this occurs one of the following actions shall be taken:

(1) The supervisor may approve leave.

(2) The supervisor may charge the employee AWOL if the supervisor does not approve leave. Disciplinary action may be taken for unexcused lateness (AWOL).

(3) Supervisors may excuse up to 59 minutes of lateness on occasion when circumstances warrant.

503. Schedule of Work Attendance. Managers of activities employing NAF personnel are authorized to establish and change the tours of duty of such employees per this instruction.

a. Establishment of Workweeks

(1) The head of the NAFI will establish the administrative workweek of 7 consecutive calendar days.

(2) The head of the NAFI will establish a basic workweek. This will not be less than a 35-hour tour for each RFT employee, and not more than 34 hours or less than 20 hours for each RPT employee, exclusive of meal times. Workdays will normally be limited to 8 hours and should never exceed 10 hours except for unusual circumstances beyond the control of management.

(3) The basic workweek will ordinarily be scheduled over a period of 5 or 6 consecutive days provided it does not exceed 40 hours. The basic workweek will include the minimum number of hours the employee is expected to work each week.

(4) Establishment of Tours of Duty

(a) When possible, tours of duty for all employees will be established for the same days of each week and for the same hours each day. To the extent possible, they will be established on consecutive days of the administrative workweek. They will normally not exceed 10 hours, and may extend over 2 calendar days.

(b) Tours of duty for RFT and RPT employees will be scheduled and posted at least 1 week in advance and will cover a period of at least 1 administrative workweek. Exception may be made to this requirement when unusual circumstances make advance scheduling impossible.

(c) Management has the right to vary tours of duty and to change an employee's scheduled hours of duty to carry out its missions as long as 24 hours advance notice is given to the employee.

(d) If it is necessary to have an off-duty period between two portions of a daily tour of duty, the employee will be completely free during such an off-duty period. Insofar as practicable, the daily tour of duty should be established in terms of full hours. When fractional hours are required, the daily tour will be expressed in full-hour and quarter-hour multiples.

(e) When the daily tour of duty begins on 1 calendar day and extends into the next, the day that the tour begins will identify the tour for that day; for example, a tour of duty beginning 2000 Friday and ending 0430 Saturday is identified as the Friday tour of duty. This is applicable also to holiday pay determinations.

(f) For RPT and regularly scheduled flexible employees the basic workweek requirement may be satisfied on a pay period basis when lack of work prevents meeting the weekly minimum.

(5) Special Considerations in Establishing Work Schedules. The following requirements will be observed in establishing tours and location of duty:

(a) Tours of duty for minors will be established per applicable Federal, State, and local laws but will be limited to 8 hours each day and 48 hours each week.

(b) Adopting daylight-saving time. Employees working shifts when the change to daylight-saving time occurs are considered on duty for the normal number of hours of that shift, provided the hour lost is charged to annual leave (or sick leave if appropriate). If no charge is made to leave, pay may be allowed only for the number of hours worked.

(c) Return to standard time. When the change from daylight-saving time to standard time occurs, the employee working shifts during the change will be credited, and pay allowed, for the actual number of hours worked.

(d) Short rest periods during the daily tour of duty will be permitted when, at the discretion of the activity manager, such periods are beneficial or necessary to the

activity. The policy adopted by each manager will be established in writing and made known to all employees.

(e) Criteria for establishing rest periods are as follows:

1. Protection of the employee's health by relief from hazardous work.

2. Relief of fatigue caused by continuous physical exertion or work performed in confined spaces, which limits personal activities.

3. Increased efficiency or production would result.

4. The rest period will not be a continuation of the lunch period.

b. Scheduling and Recording

(1) Requirements. A system for scheduling and recording the time and attendance of each employee will be established in every NAFI. The system need not be elaborate, or complicated, but it must be able to document the employee's work schedule and attendance. Supervisors are responsible for the timely and accurate preparation, certification and submission of time and attendance records of their assigned employees. The head of the NAFI shall ensure that sufficient internal controls are in place to ensure that time and attendance is being reported accurately. Supervisors should ensure by personal observation or other internal controls that employees are present during their reported working time and that exceptions to the employee's normal tour of duty are posted timely and accurately.

(2) Recording Time. Fractions of an hour worked are creditable in tenths of hour increments. Management should monitor employee time recording carefully to prevent unplanned overtime due to variances in time recording. Employees who report any time after the start of the shift may be considered tardy based upon the timekeeping rules of the unit and the supervisors time and leave authority.

(3) Use of Time Clocks. Activities that have employees use time clocks to record time worked must set equitable rounding rules and must inform the employees of the rules. Rounding procedures shall be used in such a manner that they will not over a period of time, fail to compensate the nonexempt employee for all the time they have actually worked. The supervisor may correct employee's erroneous punches. However when this occurs, the supervisor shall initial the change and be able to prove that a nonexempt employee was not performing any work before or after the supervisor's recorded time. Employees who continually fail to punch in or out properly should be counseled, and disciplined if appropriate, per the provisions of this instruction.

c. Meal Periods

(1) Duration. Regular meal, or lunch periods, normally will be established at no less than 30 minutes nor more than 1 hour.

(2) Treatment for Pay Purposes. This time will not be considered or paid as time worked, except for the purpose of determining entitlement to night shift differential pay for C&T employees. A NAFI will not require the employee to perform work during the meal period.

(3) Limit on Time Worked Without a Meal Break. Employees normally should not be required to work more than 6 consecutive hours without allowance for a meal period. An exception to the meal period requirement is for positions at isolated work sites where it is not practical to provide a replacement for the employee during the meal period. For example, in a one-person operation in a small snack bar, open from 1600-2300, where no one is available for relief, management could eliminate the meal period. The employee may be permitted to eat at the work location while on the job and will be paid for all time on duty during the shift.

d. Compensatory Time for Religious Observance. An employee may elect to work compensatory time for the purpose of taking time off without charge to leave when personal religious belief requires that the employee abstain from working during certain periods of the workday or workweek.

(1) An employee who elects to work compensatory time for this purpose will be granted, instead of overtime pay, an amount of time off (hour for hour) equal to the compensatory time worked.

(2) An employee's election to work compensatory time, or to take compensatory time off to meet their religious obligations, may be disapproved only if such modifications in work schedules interfere with the efficient accomplishment of the assigned mission.

e. Leave Authorization. The appropriate supervisory authority will approve and schedule annual leave. Whenever possible, this should be at the convenience of the employee, but mission requirements must take precedence.

(1) Leave including medical appointments should normally be requested and approved/disapproved as far in advance of usage as possible.

(a) NAVPERS 12630/1 (01-03), NAF Request for Leave or Approved Absence, leave requests shall be provided to the immediate supervisor.

(b) Emergency sick or annual leave shall be requested from the supervisor as soon as possible prior to the scheduled starting time for the shift but not later than the end of the first hour of the work shift. In suspected abuse of leave situations, supervisors may establish stricter guidelines in a leave letter of requirement.

(c) Employees are encouraged to take an annual vacation.

(d) An equitable method will be utilized for determining which employee(s) will receive leave around holidays.

(2) A supervisor has the following options to deal with a leave request:

(a) Approve the request and inform the employee of and timekeeper of the approval.

(b) Disapprove the request and inform the employee and timekeeper of the disapproval.

(c) Inform the employee additional information is needed before a decision can be made. The employee should be given a deadline to provide the information.

(3) Denial of a leave request or cancellation of approved leave normally needs to be based on the necessity for the employee's services. Leave must not be denied or canceled for arbitrary or capricious reasons. Denial or cancellation of leave is not disciplinary in character and must not be used as a punitive measure. When leave has been requested, approved and used by the employee, retroactive substitution of one category of leave is normally not appropriate. The primary exceptions are

(a) when an employee is on annual leave and becomes sick and the employee requests the change and provides appropriate supporting documentation.

(b) when an employee is under a leave requirement letter and management is waiting for supporting documentation.

(4) When an employee is absent without leave having been approved. In these situations it is appropriate that the time be recorded as AWOL. Pay is withheld for all time charged to AWOL. Time charged to AWOL may later be changed to an approved leave category when acceptable supporting evidence is presented within the prescribed time or when the approving official determines that circumstances are such that the absence has been improperly charged as AWOL. Disciplinary action may be taken as appropriate for AWOL.

f. Flexible and Compressed Work Schedules. Heads of NAFIs may authorize flexible and compressed work schedules. When this occurs, APF guidance should be followed. Procedures established will be per P.L. 99-196 of 23 December 1985, and local command directives. If compressed work schedules are implemented a written waiver to overtime for over 8 hours in a day and over 40 hours if the regular schedule includes these situations must be obtained from C&T employees before C&T employees can work a compressed work schedule.

g. Credit Hours. NAF employees are not eligible to accumulate credit hours as defined in 5 U.S.C. 6121-6126.

504. Leave Donation Program

a. Program Approval. The heads of a NAFI may establish a leave donation program in writing that permits Regular MWR NAF employees to donate annual leave to other Regular MWR NAF employees for medical or family emergencies.

b. Required criteria. The program for civil service employees should be used as a guideline within the following parameters:

(1) Voluntary participation is limited to current RFT or RPT NAF employees.

(2) The transfer of annual leave must be among NAF donors within the recipient's employing NAFI.

(3) The approval and use of transferred annual leave will be subject to the conditions and requirements imposed by this instruction, and local command regulations pertaining to annual leave.

(4) Approved leave recipients shall provide medical documentation of a medical emergency prior to be given donated leave. Pregnancy without medical complications is not a medical emergency. Sick leave abusers shall not be allowed to use this program to replace leave that they have squandered in the past.

(5) The leave donated is taken from the annual leave account of the donor. It is then converted to NAF dollars based upon the salary rate of the donating employee and is transferred to the using employee to use as sick leave. The number of hours received is based upon the salary rate of the receiving employee. Donated leave should only be credited to the user's account as it will be used. Unused donated leave will be returned to the donor.

505. Annual Leave Policy

a. Creditable Service for Annual Leave Accrual

(1) Civilian Service

(a) All prior service with a DOD NAFI as a regular employee is creditable.

(b) Effective with the issuance of BUPERSINST 5300.10 (December 1997), flexible employees converted to RFT or RPT status will be given credit for their flexible service, if converted to a regular status in the same NAFI without a break in service. These employees must be employed for 90 days from the date of the status change before annual leave can be used or granted.

(c) Prior service as an APF employee is creditable only if the employee has moved from a DOD APF position to a NAF position without a break in service of more than 3 days, on or after 1 January 1987.

(d) All periods of 6 months or more of LWOP reduce the amount of creditable service on a day for day basis.

(2) Uniformed Service

(a) All active uniformed service, except for certain retired members of the uniformed services as outlined below, terminated by honorable discharge under honorable conditions, or by transfer to inactive Reserves under honorable conditions, is creditable for determining the annual leave accrual rate. To verify the amount of retired military service that is creditable, submit the retired member's DD 214, Certificate of Release or Discharge from Active Duty and SF 813 (08/1994), Verification of a Military Retiree’s Service in Nonwartime Campaigns or Expeditions to the address on the form.

(b) For individuals who are a retired member of any of the uniformed services, credit is restricted to the actual active service in the armed forces during wartime, or in any campaign or expedition for which a campaign badge has been authorized. If the retired member meets one or more of the

following conditions, all of the active service is counted for leave accrual purposes:

1. The retirement was based on disability resulting from injury or disease received in the line of duty as a direct result of armed conflict.

2. The retirement was based on disability caused by an instrumentality of war, and incurred in the line of duty during a period of war (as defined in 38 U.S.C., sections 101 and 301.)

3. The retired member was employed in a civilian office after 30 November 1964 to which the annual and sick leave law applied, and continues to be employed in an office of this kind without a break in service of more than 30 days.

(c) The employee is responsible for providing data concerning campaigns, expeditions, etc., to the personnel specialist before any credit can be authorized.

(4) Credit for Military Training. Civilian employees of NAFIs who are called to active duty for short periods of time (not to exceed 6 weeks) with Reserve components of the U.S. armed forces will continue to accrue annual leave credit during such periods. Off-duty time while in Reserve components is not creditable.

(5) Exemptions. No employee, who is currently in a leave accrual category as a result of more liberal provisions in place prior to DOD regulations on leave issued on 6 September 1974, will be penalized by being placed in a lower category for leave accrual or accumulation purposes.

b. Step by step procedures on how to calculate creditable service can be found in the OPM publication "Processing Personnel Actions" at http://apps.opm.gov/publication/pages/default.htm. Be sure you use the definitions in this instruction concerning what is counted as creditable service. Civil Service accepts some different types of service than NAF.

c. Limit on Amount of Leave Authorized

(1) RFT employees may take leave to cover only the amount of hours they would normally work during the period for which leave is requested. Normally, this will not exceed 8 hours per day, or 40 hours per week.

(2) RPT employees may take leave to cover only the actual hours that they normally work per day, and actual scheduled hours per week. For example, if an employee with 40 hours accrued leave on the books who normally works 4 hours per day, Monday through Friday, takes the week off, they would be entitled to a maximum of 20 hours annual leave.

d. Prohibition on Advance Leave. Leave may not be granted until after the completion of the pay period in which it is earned. Advance annual leave is prohibited. In foreign areas, employees granted home or emergency leave under the provisions of chapter 8 of this instruction, and those in U.S. territories and possessions may, on departure, be paid in advance for accrued leave to be taken during that period.

e. Requiring Employees to Take Annual Leave. NAF employees may not be required to take annual leave but may be encouraged to use annual leave for emergencies and during or before furloughs.

f. Annual Leave Accrual Rate. Annual leave will be accrued by RFT and RPT employees while in a pay status, excluding overtime hours worked in excess of 40 hours during the basic workweek. Employees receiving workers' compensation benefits under the Longshore and Harbor Workers Compensation Act (LWHCA) and employees on military furlough are carried on the rolls of the employing NAFI in a non-pay inactive status do not accrue annual leave.

(1) Employees with less than 3 years of service will accrue 5 percent of the total hours in the basic workweek.

(2) Employees with 3 years, but less than 15 years of service, will accrue 7.5 percent of the total hours in the basic workweek, except for the final biweekly period of the leave year when leave will accrue at the rate of 12.5 percent of the total hours in the basic workweek.

(3) Employees with more than 15 years of service will accrue 10 percent of the total hours in the basic workweek.

g. Changes in Rates of Accrual. Changes in the rates of accrual are effective at the beginning of the first pay period following the completion of the prescribed service. When a change from a 7.5 percent to a 10 percent leave category occurs at the beginning of the last full biweekly pay period in the calendar year, the employee's leave credit for that period will be computed at 12.5 percent of hours in a pay status.

h. Time of Crediting. Accrued leave is credited to the employee's individual leave record upon completion of a 90-calendar day qualifying period. Accrued leave may be reflected, but not paid, during the 90-day qualifying period. Accrued leave is credited at the end of the pay period in which it is earned and shall not be used in the pay period it is earned.

i. Payment upon Separation. Upon separation from a NAFI, an employee who has completed 90 days as a RFT or RPT employee will be paid for the accumulated annual leave credited to the employee's account. Employees with less than 90 days RFT or RPT NAF service will not receive any payment for accrued annual leave. Payment is normally made at the salary rate in effect at time of termination. When an employee is on a temporary promotion and the personnel office has not terminated the temporary promotion prior to the employees separation date, the payoff may be at the rate of the temporary promotion through the not to exceed date of the temporary promotion. After the not to exceed date, the rate will revert back to the employee’s permanent rate of pay. Employees reinstated within 6 months of termination from a NAFI are not required to serve another 90 day qualifying period to use annual leave.

j. Payment or Transfer of Accumulated Annual Leave. Lump sum annual leave shall only be paid to the employee after the employee terminates NAF employment. Upon movement to another NAFI, a RFT or RPT employee is usually paid for unused annual leave. The employee may elect to transfer this unused leave if both the losing and gaining NAFI agree to the request. If the annual leave is transferred, the losing NAFI transfers the amount of money to the gaining NAFI that the employee would have been given in their annual leave pay off.

k. Disposition of Annual Leave when Employee Changed to Flexible Employment Category

(1) When the status of an RFT or RPT employee who has been employed for more than 90 days is changed to flexible, accrued annual leave is paid off. In the event that the employee is changed back to an RFT or RPT category, the annual leave accrual rate will be restored.

(2) When the status of an RFT or RPT employee employed, less than 90 days, is changed to flexible, the annual leave balance is dropped without payment. In the event that the employee is later changed back to an RFT or RPT category, the annual leave and annual leave accrual rate will be restored.

l. Maximum Annual Leave Carryover

(1) The maximum accumulations of annual leave that may be carried over from 1 leave year to the next are 240 hours.

(2) The maximum accumulation for U.S. citizens recruited from the U.S. for employment overseas is 45 days (360 hours) or the amount to the employee's credit at the beginning of the leave year whichever is greater. Upon return from overseas, the maximum accumulation is 30 days (240 hours) or the amount carried over from the previous leave year whichever is greater, not to exceed 45 days (360) hours.

(3) RFT and RPT employees assigned to a base designated for reduction or closure as a result of Base Realignment and Closure Commission (BRAC) decisions are authorized to accumulate annual leave without regard to the 240-hour limitation. If the employee moves to another DOD NAFI and elects to transfer their leave, the 240-hour annual leave maximum limitation would be reinstated at the end of the second full calendar year after transfer.

(4) Local COs may approve carryover of annual leave in excess of 240 hours on a case-by-case exigency of the service basis. Local approvals will be applied equitably and efficiently. NAVPERSCOM (PERS-653) will periodically monitor these approvals as part of the personnel management evaluation process.

506. Sick Leave Policy

a. Eligibility. Sick leave will be credited to RFT and RPT (including off-duty RPT military personnel). There is no minimum qualifying period for the crediting of sick leave.

b. Granting Sick Leave. All RFT and RPT employees who have sick leave to their credit may be granted such leave for legitimate medical reasons. Employees on furlough or LWOP are not eligible to be paid for sick leave. Sick leave is a privilege and will be approved only when an employee cannot perform assigned duties due to legitimate medical reasons. Acceptable reasons for using sick leave include

(1) receiving medical, dental, or optical examination or treatment.

(2) being incapacitated for the performance of duties by physical or mental illness, injury, pregnancy, or childbirth.

(3) as determined by the health authorities having jurisdiction or by a health care provider, employees would jeopardize the health of others by their presence on the job because of exposure to a communicable disease.

(4) phase one Federal Employee Family Friendly Leave Act (FEFFLA) reasons.

c. Prohibition on Paying Advance Sick Leave. Advance payment for sick leave is not authorized.

d. Sick Leave Credit Accruals

(1) Sick leave credits will accrue at the rate of 5 percent of the total basic workweek hours in a pay status and will be credited from the date of appointment to regular status.

(2) Sick leave credits, including those accrued while on annual or sick leave, are credited to the employee's account at the end of the pay period in which accrued.

e. Sick Leave Credit/Re-credit

(1) Sick leave credits will be transferred between DOD NAFIs provided the employee

(a) did not retire from the losing NAFI.

(b) did not receive retirement service credit for sick leave.

(c) all accumulated sick leave shall be transferred by the losing NAFI to the gaining NAFI without a transfer of funds. The gaining activity will assume the financial obligation.

(2) A former NAVPERSCOM NAFI employee, who is rehired into a regular position in a NAVPERSCOM NAFI or who is converted from regular to flexible status and who later returns to a regular position in a NAVPERSCOM NAFI is entitled to a re-credit of the unused NAVPERSCOM NAFI sick leave. This re-credit policy applies only to rehire actions that occur after the issuance date of this instruction.

(3) Unused sick leave earned as an APF employee will not be re-credited if employed in a NAFI following a break in service.

(4) When the status of an RFT or RPT employee is changed to flexible, accrued sick leave is dropped. In the event that the employee is changed back to an RFT or RPT in the same NAFI or hired as a regular employee in another MWR NAFI, the sick leave will be restored.

f. Accumulation of Sick Leave. There is no limit on the amount of sick leave that an employee may accumulate and carryover from one leave year to the next. No payment for unused sick leave will be made to an employee under any circumstances.

g. Requirement for Medical Certificate for Illness

(1) Absence of More than 3 Days. If an employee is absent from work due to illness or injury or one of the other acceptable sick leave uses for more than 3 consecutive

work-days, the employee may be required to furnish the supervisor with a doctor's certificate or other acceptable documentation that substantiates the use of sick leave, and certifies that the employee is unable to work. In periods of extended illness, management may require the employee to provide updated medical certification on a bi-weekly basis. If there is doubt as to the employee's medical ability to perform the duties of the position after being off for illness or injury, the supervisor may require a doctor's certification that the employee has been released and is ready, willing and able to work.

(2) When Sick Leave Abuse is Suspected. When a supervisor believes that an employee is abusing sick leave, the supervisor may deny sick leave requests, or require a medical certificate in writing for each absence that is claimed as sick leave. Supervisors may also require documentation on the expected specific duration of the illness if they have reason to doubt the validity of the request. Abuse of sick leave privileges is cause for disciplinary action including possible termination as absence from work without adequate excuse. When there is evidence of sick leave abuse the supervisor should give the employee a leave letter of requirement including specific instructions on what is required to request and receive leave.

i. When Sick Leave is Exhausted. When sick leave is exhausted, the employee may use annual leave. Should the period of illness extend beyond the limits of sick and annual leave, the supervisor may elect to approve LWOP. The approval of LWOP is a management prerogative after the employee has been given their 12 weeks of LWOP under the FMLA based upon work needs and requirements. If LWOP is disapproved and the employee is not able to return to work the employee may be terminated due to medical disability extending beyond sick leave.

507. Absence for Maternity or Paternity Reasons

a. Leave for Maternity Reasons. RFT or RPT female employees may request sick leave, annual leave, or LWOP when incapacitation related to pregnancy and medical authority has properly established confinement. An absence covering pregnancy and confinement will be treated as any other medically certified temporary incapacitation and may qualify for short-term disability. Maternity absence that does not involve medical

complications does not qualify as a medical emergency under the leave donation program

b. Leave for Paternity Reasons. RFT or RPT male employees may request annual leave or LWOP for purposes of assisting, or caring for their children, or for the mother of the newborn child. Sick leave may be used under the FEFFLA for the time periods that the mother is incapacitated as established by medical authority, for maternity reasons.

508. Administrative Leave. Heads of NAFIs may authorize time off with pay to regular employees for blood donations, for voting in Federal, State, county, and municipal government elections, and for other reasons acceptable to the head of the NAFI when deemed prudent and in the best interest of the NAFI.

a. Court Leave

(1) Authorized Usage. Upon advance submission of a court order, subpoena, summons, or any other judicial notification, regular employees will be granted paid court leave for jury duty; to appear in court in an unofficial capacity as a witness on behalf of the U.S. government, or the government of the District of Columbia and to appear in court in an unofficial capacity as a witness on behalf of private parties where the U.S., the District of Columbia, or a State or local government is a party to the proceedings. The court may be a Federal, District of Columbia, State or local governmental-unit court. This provision does not apply to an employee appearing as a witness in a judicial proceeding that involves only private parties.

(2) Pay Offset. Regular employees on court leave will receive their regular pay for such time, or will retain the court fees received from the court; whichever is the greater amount. If the court fees are the lesser amounts, such fees, exclusive of transportation fees when separately identified or otherwise identifiable will be turned over to the employing NAFI. When a State statute provides for reimbursement of expense, or an expense allowance rather than a jury fee, employees will receive their regular pay and the money paid by the court.

b. Funeral Leave. Administrative leave may be granted to regular employees, not to exceed 3 consecutive workdays, for death in the immediate family including spouse, parent, child, brother, sister, parent of spouse, grand parents (in loco parentis) or other close relative who is part of an employee's immediate household. At the discretion of the supervisor, employees may be granted time off charged to annual leave, or LWOP in the event of death of other close relatives.

c. Disruption of Normal Operations

(1) Local Authority. When normal operations of a NAFI, or a specific element of the NAFI, are interrupted by events beyond the control of management or employees, heads of NAFIs, with the approval of the CO, may excuse all employees scheduled to work, with pay, for up to 3 workdays. Management has the discretion to identify the specific individuals (including unscheduled flexible employees) who will be granted time off, and those who will be required to come to work. If it is an emergency that also impacts civil service employees on the installation, the NAFI shall follow the same policy for NAFI employees as the installation uses for civil service employees.

(a) When an unexpected emergency occurs during the work day such as a fire, equipment breakdown that forces all or part of the activity to close, the non-emergency employees on duty may be excused (placed on administrative leave) for the remainder of the shift if they cannot be gainfully employed in another part of the NAFI.

(b) Inclement Weather Which Forces Closure of all, or Part of the Base, on Which the NAFI is Located. In this event, the NAFI would follow the same rules as applied to APF employees on the base subject to approval by the head of the NAFI, and concurrence of the installation CO.

(2) In arriving at a decision to close all or part of a NAFI, managers will provide for liberal use of annual leave and LWOP if circumstances continue to prevent employees from returning to work at the end of 3 work days.

(3) Notification of Planned Closures. When, because of planned managerial reasons, the closing of all or part of a NAFI is required for short periods of time, employees shall be

notified at least 1 work shift in advance and regular employees will be allowed to take annual leave, or LWOP, as appropriate. Under these circumstances, if an employee is not notified 1 work shift in advance, the employee is paid for the shift. When 24 hours advance notice is given regular employees who cannot be assigned to other work within the same pay period may be placed on annual leave, with or without their consent, or LWOP in the event they do not have sufficient annual leave to their credit. Efforts will be made to keep to a minimum the occasions on which a regular employee is required to take leave with 24 hours notice.

509. Military Leave

a. An employee who is serving in a regular position is entitled to time off at full pay for certain types of active or inactive duty in the National Guard or as a Reservist of the Armed Forces without adverse effect on performance rating or loss of pay. This leave is "military leave." The procedures for use of, charge to, and documentation of military leave shall be the same as those governing military leave for APF employees of DOD.

b. The Reserve Components of the Armed Forces of the U.S. includes the Reserves of the Army, Navy, Air Force, Coast Guard, and Marine Corps and the National Guards of the Army and of the Air Force.

c. Flexible employees are not entitled to military leave regardless of the number of guaranteed hours.

d. The service listed below is not considered military duty and military leave is not authorized for these. Absence of regular employees for any of the following reasons will be charged to annual leave or LWOP:

(1) Summer training as members of Reserve Officers Training Corps (ROTC).

(2) Temporary Coast Guard Reserve duty.

(3) Participation in parades by members of the State National Guard, except DC National Guard (who are entitled to military leave for this purpose).

(4) Training with a State Guard or other State military organization.

(5) Civil Air Patrol duty.

e. Maximum Amount of Military Leave

(1) Military leave for training purposes is limited to a maximum of 120 hours for full-time employees during each fiscal year, regardless of the number of training periods in the year, and regardless of whether taken intermittently or all at one time. Any part of this military leave that is not used in any fiscal year accumulates for use in succeeding years, not to exceed a 120 hours maximum carryover per fiscal year. Therefore, a regular employee could have a maximum of 240 hours for use during a fiscal year. In the case of RPT employees, the rate at which military leave accrues will be a percentage of the full time authorization of 120 hours. The percentage will be determined by dividing the number of hours in the employee's basic workweek by 40. While on military leave, employees will receive their full compensation from the employing NAFI and will retain all military pay and allowances.

(2) Regular employees who are members of the National Guard or Armed Forces Reserves and who are called to duty to provide military aid to enforce the law may be granted additional military leave, not to exceed 22 workdays in a calendar year. Payment to the employee will be reduced by any amount of pay (other than travel, transportation, or per diem allowances) received by the employee for military service for this purpose, up to the amount paid by the NAFI for the same period of time. Civilian pay will be reduced by only the amount received for military service performed on a workday; any amount of military pay the individual may receive for non-workdays is not considered.

f. The minimum charge for military leave is 1 hour and additional charges are in multiples of 1 hour. Employees will not be charged military leave for hours that they would not otherwise work.

510. Military Furlough. Regular and flexible employees in continuing positions (without time limits) will be placed in a military furlough status for purposes of induction into the

Armed Forces of the U.S. or recall to active duty for up to 5 years. When the employee returns to NAF duty from military furlough, they will be placed in the same position they would have held had the person remained continuously employed and will have the same seniority, status, pay, and leave accrual entitlements they would have enjoyed had they remained in the NAF position. When the military furlough lasts more than 90 days, the employee may be placed in a comparable position with the same seniority, status, pay and leave accrual entitlements if the position they would have occupied is not available.

511. Leave Without Pay (LWOP)

a. Routine Circumstances. LWOP may be granted an employee who is receiving benefits under the LHWCA, or for military service, for disability, or for other reasons acceptable to and approved by the head of the NAFI. Upon request, such leave may be granted instead of annual or sick leave to an RFT or RPT employee. Normally, such leave will not be granted for a period exceeding 1 year.

b. Leave for Spouse and other Dependent NAF Employees upon Transfer of Military/Federal Civilian Sponsor. To assist employees in the transition process, LWOP will be granted to dependent RFT and RPT NAF employees who are transferring with their military or civilian Federal (APF or NAF) sponsor. LWOP may also be granted to other employees who are transferring and do not to have a break in service. Such LWOP may only be granted to eligible employees whose performance is rated satisfactory or better. Employees requesting this type of leave will use a NAVPERS 12630/1. They are also required to complete part E, block 2, of a SF-52 listing a termination date effective the first day after completion of the first 90 days of LWOP. Upon written request of the employee extensions will be approved in 90-day increments not to exceed 1 year.

512. Leave Documentation and Application

a. Use of NAVPERS 12630/1. Application for all types of leave will be made using the NAVPERS 12630/1. After the approving authority's determination as to the appropriate category to which to charge

the leave, the NAVPERS 12630/1 will be forwarded to, and retained by the payroll office.

b. Leave Record

(1) The NAVPERS 12630/2 (8-72), NAF Employee Leave Record may be used to maintain each employee's record of leave.

(2) In the event of termination or transfer from the NAFI, a record is made of the disposition of the final leave balances in the "Remarks" section of the PAR.

513. Family Medical Leave Act (FMLA)

a. NAF employees in both regular positions and flexible positions without time limitation, who have completed at least 12 months of service (can be any 12 months and no hours worked requirement) are covered under Title II of the FMLA. The FMLA is administratively extended to NAF employees except for the health benefits cited in 5 CFR 630.1209.

b. NAF employees serving under a flexible appointment with a time limitation of 1 year or less are subject to the provisions of Title I of the FMLA. The Department of the Labor (DOL) prescribes regulations governing workers under title I. These regulations are in 29 CFR 825. See the DOL notice (Your Rights under the Family and Medical Leave Act of 1993” for a coverage summary.

c. An employee shall complete a NAVPERS 12630/1 and providing the medical certification of the situation to invoke FMLA entitlement. An employee may take only the amount of FMLA that is necessary to manage the circumstances that prompted the need for the leave.

d. Each NAFI shall inform its employees of their entitlements and responsibilities including the requirements and obligations of the employees.

e. The FMLA provides eligible employees with entitlement to a total of 12 administrative workweeks of unpaid leave (LWOP) during any 12-month period for any of the following reasons:

(1) The birth of a son or daughter and the care of the newborn.

(2) The placement of a son or daughter with the employee for adoption or foster care.

(3) The care of a spouse, son, daughter or parent of the employee, if such spouse, son, daughter or parent with a serious health condition.

(4) A serious health condition of the employee that makes the employee unable to perform any one or more of the essential functions of their position.

514. Federal Employee Family Friendly Leave Act (FEFFLA)

a. The initial FEFFLA that was in place for civil service employees was extended to MWR NAF employees by NAVPERSCOM (PERS-65) on 19 August 1998. Later modifications to the FEFFLA have not been adopted by NAVPERSCOM.

(1) Under the adopted part of the FEFFLA, RFT employees may use up to 40 hours of sick leave in a leave year. An additional 64 hours may be used during the leave year as long as the employee maintains a sick leave balance of at least 80 hours. A part time employee may use up to the average number of hours of work in the employee's scheduled tour of duty each week.

(2) This leave may be used to care for a family member as a result of physical or mental illness; injury, pregnancy; or childbirth; or medical, dental or optical examination or treatment or to make arrangements necessitated by the death of a family member as defined above or to attend the funeral of a family member. In pregnancy situations it does not apply unless medical complications are involved.

(3) FEFFLA uses the family member definition for leave in 5 CFR 630.201. This definition is

(a) spouse or parent thereof.

(b) children, including adopted children and spouse thereof.

(c) parents.

(d) brothers and sisters, and spouses thereof.

(e) any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

b. The employee must use the NAVPERS 12630/1 to request leave under FEFFLA. The appropriate supporting documentation as required for other sick leave usage will be attached to the NAVPERS 12630/1.

CHAPTER 6
EMPLOYEE RELATIONS

601. Labor-Management Relations Policy

a. General. Labor-management relations within MWR activities under the cognizance of NAVPERSCOM (PERS-65) are governed by 5 U.S.C. and 7 U.S.C., chapter 71.

b. Prohibition on Strikes. It is a violation of Federal law for employees of a Federal instrumentality to participate in a strike against the Government of the U.S. Persons who assert the right to strike will not be employed. All NAF employees should be made aware of this prohibition, and required to sign an acknowledgment of their awareness, which will be made part of their OPF.

c. Appendix B contains detailed information concerning labor-management negotiations.

602. Employee Relations Policy

a. Communications

(1) Continued and unimpeded communications are vital factors to an informed and productive work force. Management and employees should strive to build orderly and constructive working relationships to facilitate this process.

(2) Employees should be informed, insofar as possible, of plans and policies that affect them and their work. This includes (but is not limited to) a thorough understanding of conditions of employment, job requirements, employee rights, privileges, and responsibilities, of both management and employees.

(3) Employees should be encouraged to participate to the fullest extent possible on improvements of work methods and working conditions.

b. Health and Safety

(1) Specific policy guidance on health and safety issues for NAF MWR activities are contained in BUPERSINST 5890.1.

NAFIs also need to comply with local installation safety and health requirements.

(2) Employee working conditions will be made as safe and healthy as possible. NAF employees and management per DODI 6055.1 of 19 August 1998 will strictly follow all safety and health regulations. Where safety technicians are not available on the installation, outside consultants may be used.

(3) Effective safety practices will be established in conjunction with the overall safety program of the Navy activity on which the NAF activity is located.

(4) Employee complaints about working conditions related to health and safety issues will be carefully investigated. Action will be taken immediately to correct any unwarranted discrepancies.

c. Security. NAF employees will comply with all established security regulations. They will be advised of prohibitions on the use of cameras and recording devices on the base, handling of classified information, and all other security precautions necessary in their work. NAFIs will comply with all local installation security requirements.

d. Employee Services Programs. NAF Employees will be included, to the fullest extent authorized by regulations, in the employee services programs at the command at which the NAF activity is located. This includes Civilian Employee Assistance Program (CEAP), drug and alcohol abuse prevention programs in DODD 1010.4 of 3 September 1997. The local program director should make arrangements for employees to use civilian cafeterias and civilian recreation facilities, obtain vehicle and personal passes, use station parking, and provide other authorized services beneficial to employee morale.

e. Use of MWR Facilities and Programs

(1) NAF employees are authorized to use MWR facilities and participate in programs, if approved by the local CO of the installation providing the MWR service. Access by NAF employees to MWR facilities and programs should not interfere with usage by regularly authorized patrons. DODD 1015.2 of 14 June 1995

contains specific guidance on authorized usage of MWR facilities.

(2) Employees are not permitted to consume alcoholic beverages during working hours and managers should not drink in facilities that they manage.

(3) Employees working in a MWR program are not entitled to participate as a recipient of the services of that program during assigned working hours.

f. Use of Government Quarters and Facilities

(1) NAF employees are entitled to the same quarters and facilities authorizations as comparable civil service employees.

(2) NAF employees are generally expected to secure personal quarters from the private sector. There are three specific exceptions where government quarters may be provided.

(a) Quarters for employees recruited from the U.S. to work at overseas foreign installations.

(b) At isolated sites in rare circumstances where the only suitable quarters and facilities available are government owned.

(c) In very rare instances, where the presence of a key staff member is essential to carrying out the mission of the installation. The CO subject to prior written approval by the Echelon TWO command can only make this determination.

(3) NAF employees are authorized temporary use of government quarters, if available, while traveling on official business.

603. Political Activity

a. Principles. The principles of 5 U.S.C., 7324, relating to political activity of government employees have been extended to NAF employees. NAF employees will not use official authority or influence to interfere with an election, or attempt to affect its results. The Hatch Act Reform Amendments of 1993, P.L. 103-94, liberalized the extent to which the majority of Federal

(and NAF) employees are permitted to engage in off-duty partisan political activities.

b. Employee Rights. Guidelines for Federal and NAF employees covered under the New Hatch Act Amendments follow:

(1) NAF employees may be candidates for public office in nonpartisan elections; register and vote as they choose; assist in voter registration drives; express opinions about candidates and issues; contribute money to political organizations; attend political fund-raising functions; attend and be active at political rallies and meetings; join and be an active member of a political party or club; sign nominating petitions; campaign for or against referendum questions, constitutional amendments or municipal ordinances; campaign for or against candidates in partisan elections; make campaign speeches for candidates in partisan elections; hold office in political clubs or parties and be delegates to party conventions; and distribute campaign literature in partisan elections.

(2) NAF employees may not use their official authority or influence to interfere with an election; solicit, accept or receive political contributions, unless both individuals are members of the same Federal labor organization or employees organization, and the one solicited is not a subordinate employee; knowingly solicit or discourage the political activity of any person who has business before the agency; engage in political activity in any government office; engage in political activity while wearing an official uniform; engage in political activity while using a government vehicle; be candidates for public office in partisan elections, and may not wear political buttons on duty.

c. Investigating Violations

(1) A NAF employee, with knowledge of a violation of the regulations governing political activity, will immediately report it to the head of the NAFI. The local CO should be notified if the violation involves the head of the NAFI.

(2) The head of the NAFI (or the CO if the violation involves the local NAF activity head) will investigate all reports immediately. A written statement of findings and recommended disposition should be forwarded expeditiously

through the chain of command within 30 days of the report of violation to NAVPERSCOM (PERS-653).

(3) NAVPERSCOM (PERS-653) will promptly forward the report to DASN (CP/EEO) who will make the final determination as to violations.

604. Fiduciary Responsibility. There is an individual fiduciary responsibility for properly using NAF resources and preventing waste, loss, or unauthorized use. This responsibility extends to all DOD personnel, including members of the armed forces and civilian employees paid with either APF or NAF. Under 10 U.S.C. 2783, personnel who violate NAF regulations in management of funds are subject to the same penalties under Federal laws that govern the misuse of APF. Violations by personnel subject to the Uniform Code of Military Justice (UCMJ) are punishable under section 892, article 92.

605. Loyalty to the U.S. Government. No person will be employed or continue to be employed in a NAF activity who advocates the overthrow of the U.S. Government; is a member of an organization that advocates the overthrow of the U.S. Government; or participates in any strike against the U.S. Government, including all instrumentalities of the U.S. Government.

606. Whistleblower Protection for NAF Employees and Applicants

a. DODD 1401.3 of 16 October 2001 provides policy and implements P.L. 98-94, DOD Authorization Act, 1984, section 1253 (10 U.S.C., 1587), which establishes protection against reprisals for certain NAFI civilian employees and applicants who have made protected disclosures. SECNAVINST 5370.7B further extends protection to NAF employees, or applicants, from reprisal for making, or preparing a complaint, which they reasonably believe evidences a violation of law or regulation, mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety to a Member of Congress, Inspector General, or member of a DOD audit, inspection, investigation, or law enforcement organization.

b. No government employee or military member may take or threaten to take an unfavorable personnel action, or withhold or

threaten to withhold a favorable personnel action, in reprisal for any NAF employee or applicant who exercises the right to report any misconduct, fraud, waste or abuse that they observe or know about.

c. If any unfavorable action is taken against a NAF employee or applicant for the exercise of these rights, the offended employee may file a complaint with the Naval Inspector General (NAVINSGEN), or the DOD IG. Every CO is required to publicize the procedure for filing a complaint.

d. DODD 7050.1 of 4 January 1999, established the DOD Hotline for reporting fraud or mismanagement. Complaints may be filed by telephone to (800) 424-9098 or (202) 693-5080 or addressed to the following:

DOD Hot Line
The Pentagon
Washington, D.C. 20301-1900

e. NAVINSGEN can be reached at Comm (202) 433-6743/DSN 288 or addressed at:

Office of the Naval Inspector General
Attn: Hot Line
901 M St. SE
Washington, D.C. 20374-5006

607. Disciplinary Actions. Heads of NAFI activities will establish and utilize consistent procedures for effecting disciplinary actions within the following guidelines:

a. These guidelines shall be applied equitably throughout the NAFI.

(1) Disciplinary actions are those actions taken by management in response to an employee's unacceptable conduct or behavior or less than satisfactory performance. Such actions are placed into one of two categories. Basic disciplinary actions are those which include an oral admonishment, written reprimand, or a suspension of 30 days or less. Severe disciplinary actions are those that include suspensions of more than 30 days, demotion for cause (to a lower grade for non-pay band employees or from a higher to a lower pay band/level for

pay band employees), decrease in base pay for cause, and termination.

(2) Disciplinary actions do not include BBAs, letters of caution, performance counseling memorandums, letter of requirement for leave abuse actions, reductions in grade or pay taken as a result of termination of temporary promotion or temporary increase in responsibility, a change to lower grade or pay band/level of an employee when the employee initiated the request, or a reduction in pay due to application of a revised prevailing rate schedule when there is no change to the position, and actions taken as a result of an employee being medically unable to work. A reduction in scheduled hours of work, which does not change the employment category, is not an adverse action.

(3) SECNAVINST 5300.22C excludes actions relating to termination of flexible employees and termination of probationary employees from the grievance and appeal process. Specific guidelines on procedures to be used to terminate flexible employees and probationary employees are contained in appendix C of this instruction.

b. Non-Disciplinary Involuntary Separations. Not all involuntary separations are for disciplinary reasons. An employee may have to be separated because of long term disability (includes medical authority designation of long term unavailability for work as well as medical availability that extends beyond accrued sick and annual leave and use of authorized FMLA leave), being on extended worker compensation, (usually more than 1 year), separations at the completion of transportation agreements for overseas tours, etc. These separations are not punitive in nature. If these type separations become necessary after the employee has received their FMLA entitlements if any, they will be processed using the severe disciplinary action procedures and employees will be given the same appeal rights as those available in severe disciplinary actions separations.

c. An employee may be placed on emergency suspension without pay, pending disciplinary action, when retention of the employee might result in damage to or loss of property or funds, might be injurious to the employee or others, might be detrimental to the interests of the NAFI, or when there are

justifiable reasons to believe that the employee is guilty of a crime for which a prison sentence may be imposed. In such cases, the employee will be provided at least 24-hours advance notice of the emergency suspension. The employee shall be paid during the 24-hour notice period for normally scheduled work hours during this period. If the final disciplinary action taken on an employee on emergency suspension is less than removal, the employee will be paid for the time so suspended less any loss of pay required by the disciplinary action. An emergency suspension without pay, which extends for 30 calendar days or less, may be grieved; one which extends for more than 30 calendar days may be appealed. A grievance or appeal may only be filed at the termination of the emergency suspension. If after investigation it is determined that the employee will be terminated the employee does not have to be retained in a pay status for the termination period if the employee has already been on emergency suspension for at least 14 days.

d. Chapter 2 provides detailed information concerning processing terminations involving less than satisfactory performance actions for regular non-probationary employees.

e. Delegation of Authority

(1) Basic disciplinary actions may be taken by the employee's immediate supervisor or any supervisor in the employee’s chain of command.

(2) The employee's immediate supervisor or any supervisor in the chain of command may issue severe disciplinary action proposal letters.

(3) Severe disciplinary action decision letters, termination letters for probationary employees and termination letters for flexible employees shall be signed by head of the NAFI, VQ Manager, Fisher House Manager, and Assistant Manager of the New Sanno Hotel or any supervisor in the employee’s chain of command above these positions. These same individuals may sign proposal and decision letters. If the proposal was signed by a supervisor above these positions, the decision has to be signed by that same level or higher.

(4) First level appeals will go one level above the individual who signed the decision letter. Usually this is the

CO or region director unless they were the one who signed the decision letter.

(5) Second level appeals shall be handled by NAVPERSCOM (PERS-65).

608. Business Based Actions (BBA)

a. Definition. A BBA is a reduction in an employment category or pay rate, a furlough of 8 calendar days or more, a reduction in grade as a result of a reclassification action, or separation action initiated by management for non-disciplinary reasons. A BBA is used to adjust resources in response to changes in business revenue, budget, workload, organization, or mission. It is not used to address performance or conduct deficiencies. Employees are affected by BBAs only if so identified after an objective, fair and equitable ranking against other employees in the same employment category and group of affected positions.

b. Coverage. BBA guidelines apply to regular employees who have completed their probationary period, and those flexible employees who have been on the rolls of the NAF activity effecting the BBA for 3 continuous years. Flexible employees are not covered for furlough BBAs, nor do they have a right to the third stage of the BBA appeal process outlined in appendix D. Excluded from coverage are employees currently serving probationary periods, employees with less than satisfactory performance ratings, and flexible employees who have been on the rolls of the NAF activity effecting the BBA less than 3 continuous years. These are non-competing employees in a BBA action.

c. Specific BBA procedures are in appendix D.

d. Delegation of Authority. All BBA notices shall be signed by head of the NAFI, VQ manager, Fisher House Manager, and Assistant Manager of the New Sanno Hotel or any supervisor in the employee’s chain of command above these positions.

e. BBA notifications usually involve a general notice for all employees and then a specific notice for the specifically impacted employee(s) identified on the retention register with an advance notice period as shown in table D-1. However, if an

activity can narrow the list of potentially impacted employees through a mock BBA, an individual general notice can be given to these employees with a greater than 30 day lead time. If this is done, a second specific individual notice must be issued when the retention register is worked. If an individual general notice was issued well in advance of the notice period in table D-1, then notice period for the second specific notice may be reduced from 30 to 14 days for regular employees. Activities may want to use individual general notices to give employees as much notice as possible in A-76 or Functionality Assessment (FA) situations.

f. SECNAVINST 12351.5F indicates that DON will issue a single annual notice to Congress of all planned reductions-in-force (RIFs), BBA, transfer of function and transfer of work actions planned. The APF actions have to be approved by Congress. NAF is exempted from the approval requirement. The annual report is compiled by the APF command HRO representative. Claimant NAF representatives will gather and report the NAF data to the APF command HRO representative for the annual report.

609. Appeal Processes

a. Classification Appeals. Detailed information concerning classification grievances and appeals is in chapter 4.

b. Severe Disciplinary Action Appeal Process. This is the process available to regular non-probationary MWR NAF employees to challenge severe disciplinary actions. NAF employees may not appeal to the Merit System Protections Board (MSPB).

(1) This appeal process is a two step process. The first level of appeal is through the manager that signed the decision letter being appealed (normally the head of the NAFI) to the first level of supervision in the chain of command above that manager (normally the CO).

(2) The second step of this appeal process is through the management level that signed the first step appeal decision (normally the CO) to NAVPERSCOM (PERS-65). The decision of NAVPERSCOM (PERS-65) is the final Navy decision of the appeal.

(3) Additional details relating to the appeal process for severe disciplinary actions are in appendix C.

610. NAF Administrative Grievance Procedure

a. Applicability. This grievance procedure applies to all NAF MWR employees whose positions are not covered by a Navy recognized negotiated agreement. Bargaining unit members holding positions covered under a negotiated agreement must use the grievance process specified within such agreement. Grievances go up the chain of command. NAVPERSCOM (PERS-65) only handles grievances of employees in the NAVPERSCOM (PERS-65) chain of command and grievances involving interpretation of policy, etc. issued by NAVPERSCOM (PERS-65).

b. NAF employees may present their complaints and grievances to management officials for prompt and equitable consideration.

c. The grievance process is a two step process. The first step in the process is to the head of the NAFI. The second and final step in the process is to the installation CO. The installation CO is also the final step in BBA grievances concerning procedures for flexible employees with less than 3 years of service. The deciding official for each step of the grievance process must be at a higher organizational level than any person involved in the grievance or having a direct interest in the matter being grieved. Therefore, the steps will be elevated to the next higher level in the employee’s chain of command as needed to comply with these criteria.

d. Appendix E contains additional procedures concerning the NAF administrative grievance process.

611. Relationship Between Grievances/Appeals and EEO. An employee must make an election of forums under which they will challenge the action. An action shall not be challenged under more than one forum.

CHAPTER 7
RETIREMENT AND INSURANCE

701. Background and Policy. NAVPERSCOM retirement and insurance benefits for NAFIs under the cognizance of NAVPERSCOM (PERS-65) are administered per applicable laws, executive orders, rules and regulations regardless of whether or not they are referenced in this instruction. If there are any conflicts between this chapter and the Plan Document or between the information in the Standard Plan Documents (SPDs) that are on the MWR web page and the Plan Document, the Plan Document prevails.

a. Retirement and insurance benefits plans have been developed to provide financial protection for NAVPERSCOM NAF employees and their dependents. The plans include life insurance, accidental death and dismemberment (AD&D), disability insurance, comprehensive health insurance, workers' compensation, retirement, unemployment compensation, savings and investment. Participation in all plans (except worker's compensation and unemployment compensation) is voluntary for eligible employees and a portion of the cost is borne by the employee. Workers' and unemployment compensation benefits are provided automatically at NAVPERSCOM expense to all eligible employees.

b. Brochures, containing cost and other specific information, are provided to an employee when the employee is appointed to a regular position. These brochures are updated as changes occur and may be obtained by contacting NAVPERSCOM (PERS-653). They are also on the website http://www.mwr.navy.mil under personnel. Each NAFI personnel office will also provide information to eligible employees and publicize open seasons and changes as they occur.

702. Retirement Plan

a. Retirement Coverage. NAVPERSCOM provides a retirement plan for eligible employees. Retirement benefit payments under this plan are integrated with social security benefits.

b. Eligibility. All RFT and RPT employees who work a minimum of 20 hours or more are eligible to participate in the

retirement plan. At NAFIs outside the U.S. or its Territories, participation is limited to RFT and RPT U.S. citizen employees.

c. Participation. Employee participation in the retirement plan is voluntary. The employee and the employer share the cost of the plan.

(1) New hire eligible employees may participate in the retirement plan after they have been employed for 1 continuous year. Deductions for employee contributions may begin after completion of this 1 year waiting period. Eligible employees will receive retroactive credit for the 1-year waiting period at no cost if they enroll within 31 days of completion of the 1-year waiting period.

(2) Employees who have a break in service of 6 months or more must start another 1-year waiting period. Employees who transfer between DOD NAFIs without a break in service do not have to serve another waiting period.

(3) Employees that become eligible to join the retirement plan because of an employment category change to RFT or RPT will be processed as new hires for retirement plan purposes as of the date of the category change. If these employees have previous credited retirement service, the prior credit will be retained if all plan contributions had been made.

(4) Deductions for payroll purposes commence the first day of the first pay period after the date the enrollment application is signed. Coverage also commences on that date.

d. Retirement eligibility depends upon the years of NAFI service. The amount of the annuity depends upon the years of plan service. These are defined as follows:

(1) NAFI service is the number of years of service that is needed for retirement eligibility. All of an employee's years of continuous employment (without a break in service) in a DOD NAFI as a regular employee is NAFI service.

(2) Plan service is the time that is used to determine the amount of the annuity. Plan service is the time a regular employee was a contributing member of the retirement plan, unused NAF sick leave if retirement is with an immediate annuity

and up to 5 years of absence for active duty if return to NAF employment is within the time specified by USERRA.

(a) An employee who withdraws plan contributions loses credit for the plan service for the period covered by the funds withdrawal. If the person is later re-employed as a regular NAVPERSCOM NAF employee this time can be re-credited if notification is made to the benefits representative within 31 days of the return to regular employment status and if the withdrawn contributions plus interest are repaid within 12 months of the rehire date.

e. Retirement Eligibility

(1) Eligibility for a normal full retirement annuity is as follows:

(a) Age 62 or older with at least 5 years of NAFI service.

(b) Age 60 with 20 years of service.

(c) Age 55 with 30 years of service.

(2) Eligibility for early retirement is as follows:

(a) Age 52 or older with at least 5 years of NAFI service. Benefits between age 52 and 62 are reduced 4 percent per year for each year under age 62.

(b) Age 50 with 20 years of NAFI service or 25 years of NAFI service at any age and terminated by BBA action. Benefits in these cases are reduced by one-sixth for each month before age 55.

(3) Participants will lose their eligibility for an immediate early annuity if they are terminated for cause, or if they resign pending termination or pending investigation.

(4) Employees scheduled for termination as a result of A-76 of FA study or regionalization may be permitted, upon request to use their annual leave to extend their employment to make them eligible for retirement.

f. Retirement Calculation

(1) The NAVPERSCOM pension calculation uses the average of the employee's highest consecutive 3 years of earnings, the amount of their social security pension and their age.

(2) The plan brochure that is provided to participating employees gives detailed information on the calculation formula.

(3) There will not be a social security offset until age 62 for employees that are currently retiring. However this offset will continue for retirees younger than age 62 who were receiving an annuity before this plan change was made.

(4) All individuals who retire under this plan will be given annual cost of living adjustments when appropriate.

g. Types of Annuity. An employee's annuity is paid in monthly installments after retirement. Employees shall be encouraged to consider these choices very carefully because they are irrevocable after retirement.

(1) Single Life Annuity. Under this option, an employee receives an unreduced normal or early retirement annuity for life. When the employee dies, payments stop. The beneficiary is only entitled to the employee's remaining contributions and interest if any.

(2) Spouse Pension. Under this alternative, a retiring employee who is married on the date of retirement can elect to take a 10 percent reduction in the monthly pension. In return, the employee's surviving spouse would be entitled to 55 percent of the amount of the regular pension if the employee dies. Payments would then continue over the lifetime of the surviving spouse unless that spouse remarries before reaching age 60.

(3) Survivor Pension. This option allows the employee to name a beneficiary and is very similar to the spouse pension described above. The only differences are the amount of the employee’s regular pension and the amount paid to a beneficiary will depend on the difference in the ages between the employee and beneficiary. Pay out details are in the SPD.

(4) Calculations that result in a small monthly pension will be paid out as a lump sum instead of monthly payments. The information on these situations is in the SPD.

h. Death Benefits. Death benefits under the retirement plan are available to NAVPERSCOM retirement participants who qualify. The plan brochure that is provided to participating employees gives detailed information on these qualifications.

i. Disability in Relation to the Retirement Plan. Employees who become disabled may also qualify for a retirement annuity under the following conditions:

(1) If an employee age 62 or older becomes disabled, the employee may receive both retirement if eligible and disability.

(2) Employees who are at least age 52 and not yet 62 and have at least 5 years of NAVPERSCOM NAF service, can elect a reduced pension starting as early as age 52. However, disability payments are offset by the amount of the retirement.

(3) Employees who become disabled with fewer than 5 years of NAVPERSCOM service can elect a lump sum payment of retirement plan contributions plus interest if applicable.

j. Termination of Employment or Change in Employment Status. The following options are available to employees when, for any reason other than death, their employment as a NAVPERSCOM NAF employee ends or the employment status is changed to flexible prior to normal or early retirement eligibility.

(1) Option A. An employee may have all contributions returned. In addition, if an employee has been employed and contributed to the plan for 3 full years, interest will be paid on the refunded contributions. Interest is not paid when an employee terminates before completing 3 full years of credited service.

(2) Option B. When an employee has completed more than 5 years of credited service, the employee may elect to leave their contributions in the plan, and later when eligible, receive an annuity on their normal retirement eligibility date or their early retirement eligibility date.

k. Coordination with other Benefits. Retirement or disability benefits will be offset by the amount of workers' compensation benefits payable. Any workers' compensation income received by a survivor annuitant derived from "on the job" incurred disease or injury to the employee will also be used as an offset against the survivor’s annuity payable under the retirement plan.

l. DOD Portability Program in relation to NAVPERSCOM Retirement. Employees who move between civil service and NAF within DOD may make an election to remain in the retirement system of the losing employment system. If the employee elects to remain in the retirement system of the losing employment system, the election is irrevocable. Therefore, regardless of any future moves between NAF and civil service employment, in or out of DOD, breaks in service, or retirement status, the employee's retirement coverage would remain with the plan in which the employee elected to retain membership. Employee deductions, employee match, etc. continue as if the employee were still an employee of the employment system of the retirement election. The only difference is the organization that is serving as the payroll office to deduct and submit funds.

m. When applying for retirement, employees need to submit all of the following to NAVPERSCOM (PERS-653):

(1) Application for retirement.

(2) Evidence of age and copy of birth certificate. If married send a copy of the marriage certificate and a copy of the spouse's birth certification.

(3) Copy of Social Security Award Letter.

(4) Copies of the consecutive three highest W-2 pay statements or payroll ledger cards depicting salaries while employed with MWR.

(5) Copy of the last payroll journal showing year to date retirement contributions.

(6) Copy of previous estimates.

(7) Copy NAVPERS 12800/2 (02-03), NAVPERSCOM Nonappropriated Fund Group Benefits Enrollment Form documenting enrollment in life and medical insurance.

(8) Last pay stub.

n. The employee is responsible for providing proof of service or contributions if not available in NAVPERSCOM (PERS-653).

703. Disability Plan. NAVPERSCOM offers a disability plan that works with sick leave, social security, and workers' compensation to provide income protection for employees who develop non-occupational disabilities.

a. Eligibility. All RFT NAF employees are eligible to enroll.

b. Enrollment. A regular employee may enroll without providing proof of good health during the first 31 days of employment. Enrollment opportunities after this period are very limited and subject to submission of evidence of insurability and approval by the servicing insurance administrator. An employee pays 1.5 percent of salary for 1 year. Coverage is then paid up and no further employee payments are made but the employee continues to receive coverage.

c. Receiving Benefits

(1) To be eligible for disability benefits an employee must be totally disabled and not working for 2 consecutive months. Accrued sick and annual leave may be used during this period and have exhausted all sick leve.

(2) Total disability means that an employee can not perform any gainful employment that the employee is qualified for based upon their training, education and experience.

(3) Normally disability benefit payments continue until the employee recovers, becomes 65 years of age or dies. However an employee who becomes disabled

(a) between age 62 and 64 may receive disability payments for up to 36 months.

(b) between age 65 and 67 may receive disability payments for up to 24 months.

(c) at age 68 or older may receive disability payments for up to 12 months.

(4) The relationship between retirement and disability payment is stated in the retirement plan coverage earlier in this chapter.

704. Safety and Claims Management. NAVPERSCOM (PERS-658) is responsible for a variety of other types of insurance claims. These claim procedures and policies are contained in BUPERSINST 5890.1. Workers' compensation claims are covered later in this instruction and are managed by NAVPERSCOM (PERS-653).

705. Unemployment Compensation Benefits. NAVPERSCOM (PERS-653) provides unemployment compensation coverage for NAF employees of NAFIs under its cognizance. Individual State unemployment offices administer the unemployment compensation program. This program covers regular and flexible U.S. citizen employees employed in CONUS and OCONUS. It also covers non-U.S. citizens employed in CONUS but not in OCONUS. OCONUS U.S. citizen employees may apply for payment upon return to CONUS.

a. If a NAF activity receives an IRS 4901 or some other notification for payment of unemployment wages, the activity should check "exempt" in the block provided and return the form to the originating IRS office. The returned forms should contain the following statement “NAFI activities under the cognizance of the NAVPERSCOM within the CONUS and overseas qualify as NAF activities as defined in Revenue Ruling 54-566 and are therefore exempt from these taxes.”

b. Whenever a CONUS NAF employee or when an OCONUS NAFI employee that is returning to CONUS is separated for any reason, placed in a non-pay status for more than 7 consecutive days, or transferred to another payroll office with a break in service, the activity must do the following:

(1) A PAR must be completed. This PAR will specify the date of the separation action and the reason for separation.

(2) A Notice to Federal Employees SF-8, Unemployment Insurance must be completed, showing the full name and address of the activity where payroll records are maintained. Immediately below the address insert: "Navy Clubs and Recreation System 808."

(3) Deliver the original SF-8 and PAR to the employee and place a copy in the employee's OPF.

c. The following actions are required upon receipt of inquiries from State unemployment agencies:

(1) If a former employee files a claim for unemployment compensation, the State agency will forward an ES-931, Request for Wage and Separation Information to the NAF activity listed on the SF-8. When the ES-931 is received by the activity, the form must be completed in detail and returned to the State agency within 4 working days. If, for any reason, the 4-day limit cannot be met, the State agency must be advised of the reason for the delay and the estimated completion date.

(2) If, for any reason, the information supplied on ES-931 is not adequate, the State agency or State administrative appeal authority will request additional forms. These requests for information are subject to the same time limit and controls as the ES-931. The local NAF activity should furnish any relevant information requested that it is not otherwise prohibited by law from releasing.

(3) On unemployment compensation related forms, ensure that "Navy Clubs and Recreation System 808" is inserted in the block indicated for Name of Parent Federal Agency.

(4) Upon notification of an unemployment hearing a member of the personnel staff or some other management official with knowledge of the reason and circumstances involved in the employee separation will make arrangements to participate in the hearing. Participation through conference call may be arranged with the unemployment hearing official. The final decision on payment or non-payment of unemployment compensation is based upon State rules and the State has the authority to pay or not make payments.

706. Group Medical, Dental, and Life Insurance Plans

a. RFT and RPT employees may elect one of the following types of medical/dental participation:

(1) Medical insurance only.

(2) Both medical and dental insurance. In order to enroll in dental insurance the employee must first be enrolled in medical insurance and if enrolled, neither can be dropped until the next open season.

(3) No medical coverage.

b. RFT employees may elect one of the following group life insurance options:

(1) Basic life that is the annual salary rounded up to the next thousand plus $2,000 e.g. an employee with an annual salary of $18,700 would have $21,000 coverage.

(2) Optional life coverage at one or two times the employee's annual salary. In order to elect optional life the employee must be enrolled in basic life.

(3) Employee's who enroll in basic life are automatically given AD&D coverage at no cost.

c. Group plan eligibility is as follows:

(1) All regular employees are eligible for medical and dental coverage.

(2) Only RFT employees are eligible for group life and disability coverage.

d. Effective dates of coverage are set as follows:

(1) For new employees group insurance becomes effective the day the employee signs and submits the enrollment election forms to personnel provided the enrollment forms are received in the personnel office within the first 31 days of eligible employment. Deductions are initiated and made for the full pay period in which the employee signs the enrollment form.

(2) During open enrollment periods the effective date shall be as specified by NAVPERSCOM (PERS-653).

e. Family members may be covered under the DOD Health Benefits Program (HBP) or an authorized Health Maintenance Organization (HMO) pursuant to the rules established in those plans.

(1) An employee who is enrolled in single (self-only) coverage may apply for family coverage within 31 days of gaining a new family member (e.g., through marriage or the birth of a child).

f. To apply for group plan coverage the employee must complete the required enrollment forms and get them to the personnel office within the required time frames as follows:

(1) During an employee's initial 31-day eligibility period (when appointed as a regular employee).

(2) During an open season enrollment period. An open season for group insurance will be announced from time to time. The open enrollment period will normally be a 30-day period. Employees who did not apply for medical insurance during the initial 31-day eligibility period may apply during this period without evidence of insurability. Employees applying for disability or group life coverage during open season shall provide proof of insurability with the application. During this period insured employees also may

(a) add dental insurance to medical insurance.

(b) drop dental and keep medical insurance only.

(c) change medical coverage.

(d) drop both medical and dental coverage.

(3) Medical coverage can only be added in open seasons that occur every 2 years. The above changes can be made every year.

g. The amount of basic life and AD&D coverage will change with the effective date of the pay adjustment, unless the

employee is not in a pay status on that date. If the employee is not in a pay status on the date of the pay adjustment, the amount of coverage will not change until the employee returns to a pay status for 1 full day. Employee deductions will change the same pay period as the pay adjustment.

h. An insured employee who enrolls in family medical insurance within 31 days of gaining a family member, insurance will become effective the date payroll deductions begin. A newborn child will be covered from the date of birth, if application for family coverage is made within 31 days of birth. Premium payments will be due retroactively to the pay period coincident with the date of birth.

i. For life insurance purposes, employees on LWOP at the time of enrollment or increase in coverage must return to work for life insurance increase or for coverage to become effective.

j. Medical and dental insurance coverage shall only be dropped or changed during open season or for a qualifying event. Dental coverage ends automatically when medical coverage is discontinued.

k. Termination of Coverage

(1) An employee ceases to be insured on the earliest of the following:

(a) The date employment ends.

(b) The date an employee on LWOP does not make the required premium payment on time. Premium payments will be submitted to the employing NAFI and must be received not later than the payday for each pay period the employee is on LWOP.

(c) The date the master group contract terminates.

(2) A family member ceases to be insured on the earliest of the following dates:

(a) The date the family member becomes ineligible per the applicable plan document.

(b) The date the family member commences active duty in the armed forces of any country.

(c) The date the employee is no longer insured.

(d) The last day of the last pay period for which an employee makes contributions for family member coverage.

(e) The day the master group contract terminates.

l. Employees covered by medical insurance benefits may elect temporary continued coverage per the rules of the NAF DOD HBP.

707. Savings and Investment Plan (401-K). This is a voluntary long-term savings and investment program that can be a supplement to the retirement plan. Employee payments into the plan reduce the employee's taxable income and lower the employee's income taxes. The money is placed in the employee selected available investment fund and is tax sheltered until the employee reaches 59 1/2 years of age, or the employee terminates employment. A third party administrator (TPA) operates the plan with NAVPERSCOM (PERS-653) providing overall plan management. Specific plan information booklets are provided to eligible employees upon hire.

a. Eligibility. All RFT or RPT NAF employees over 21 years of age may join during the first open season after employment. There is a 1-year vesting period before refund of employer matching will be made.

b. Enrollment. Enrollment in the plan is allowed during an open season and new enrollments and changes in employee deductions are effective the first pay periods in January, April, July, and October.

c. Making Changes. A participating employee can increase or decrease the amount of current contributions at the beginning of each quarter. Changes become effective on the date specified during any open enrollment period.

(1) Participating employees can change investment elections by contacting the TPA.

(2) Employees may withdraw money from their account when they reach 59 1/2 years of age, retire, become disabled, or leave NAF employment. Federal taxes of 20 percent are withheld.

(3) If an employee terminates NAF employment one of the following options shall be selected:

(a) Take a direct cash out that includes a deduction of the 20 percent mandatory Federal withholding tax. There may be an additional 10 percent tax penalty from IRS. Lump sum payoffs will be paid within 60 days of termination unless the employee selects another option.

(b) Elect a direct rollover of these funds into a qualified IRS or another qualified employee plan.

(c) Leave the account with the current TPA as an individual account if the TPA's requirements for an individual account are met.

(3) The only acceptable reason for withdrawing funds while still employed is for a severe hardship reason as stipulated by IRS guidelines. The IRS Safe Harbor Rules shall apply. Hardship withdrawals are only available under one of the following situations:

(a) Purchase of participant’s primary residence.

(b) Pay upcoming, post-secondary educational expenses of participant or dependents.

(c) Pay uninsured medical/hospital expenses for participant or dependents.

(d) Prevent eviction from or foreclosure on the mortgage of participant’s primary residence.

(4) There is a 6-month participation penalty when an employee voluntarily stops participation or receives a hardship withdrawal.

708. Post Retirement Benefits

a. Retired Medical. Retirees are eligible for post retirement medical coverage if they are at least age 55 and have at least 15 consecutive years of NAF medical coverage. Retiree coverage will be the same as that provided to active employees and will change if the active coverage changes. It will continue as long as the retiree pays the required premium. Premiums will be deducted from the monthly retirement annuity if available. Medicare becomes the primary carrier for medical coverage when the retiree becomes age 65.

b. Retired Life Insurance. Retirees are eligible for post retirement life insurance if the retiree has 5 consecutive years of NAF life insurance coverage, is age 52 or older on the date of retirement and starts receiving a monthly pension from the NAVPERSCOM (PERS-65) Retirement Plan.

(1) The amount of retiree life insurance coverage depends upon when the employee retired as an active NAVPERSCOM NAF employee and how long the employee was enrolled in the plan immediately prior to retirement.

(a) If an employee was in the plan for at least 15 years and retired at age 62 or older, the retiree's life insurance coverage will continue in full until the retiree reaches age 66. At age 66, coverage is reduced by 25 percent per year until coverage equals 25 percent of the original coverage amount.

(b) If an employee was enrolled in the plan for at least 5 years and retired at age 52 or later, life insurance coverage equals 25 percent of the amount the employee had just before retirement, subject to a $5,000 minimum and a $10,000 maximum.

(c) A retiree who elects to defer the retirement annuity benefit until a date after separation is not eligible for retired medical or retired life insurance coverage.

709. Prohibitions

a. The group insurance and retirement benefit plans are offered to employees on a voluntary and contributory basis.

Rates are set centrally. Payment by any NAFI of the employee's contribution is prohibited. Only the employee can pay the employee contribution.

b. Local NAFI participation in labor organization, or other local group employee benefits in lieu of the plans offered by DOD or NAVPERSCOM (PERS-65) is prohibited.

710. Benefit Participation for Off-duty Military Personnel

a. Since off-duty military personnel are not authorized to work more than 34 hours per week at a NAFI; they are not eligible to participate in the Group Life or Disability Insurance Plans.

b. Off-duty, military personnel who are classified as RPT, and work a minimum of 20 hours a week, may participate in the health insurance plan, the retirement plan and the savings and investment plan.

CHAPTER 8
EMPLOYMENT IN OVERSEAS LOCATIONS

801. Policy

a. DOD policies and laws governing employment practices for NAFI personnel in CONUS basically apply overseas to U.S. citizens and U.S. nationals and are consistent with existing treaties or agreements with host countries. The employment conditions for locally hired non-U.S. citizen employees shall be based on customs and practices in the areas and the provisions of the country-to-country agreements. The NAFI personnel policies developed in any one area shall apply uniformly to all NAF elements of the U.S. Forces in the same area.

b. DODD 1400.6 of 15 February 1980 and DOD 1400.25-M that prescribe the policies currently governing civilian personnel employed by DOD Components in CONUS and overseas, are hereby administratively extended to NAFI employees.

c. No organization shall cause any actual or potential liability to appropriated funds by reason of employment of NAFI personnel or use by such employees of non-U.S. Government facilities in foreign areas except as authorized by DODD 1015.6 of 3 August 1984, or as otherwise specifically authorized by regulations and procedures approved by Secretary of Defense (SECDEF) or designee.

d. APF logistical or administrative support of NAFI employees in foreign areas shall be on a reimbursable basis except where exempted by the provisions of DODD 1015.6 or otherwise specifically exempted.

e. This instruction as well as applicable DOD and State Department regulations will govern employment of civilian U.S. citizens and their dependents in NAVPERSCOM NAFIs in foreign areas.

f. APF logistical or administrative support of NAF employees in foreign areas will be on a reimbursable basis except where exempted by the provisions of DODD 1015.6, or otherwise specifically exempted.

802. U.S. Citizens or U.S. Nationals Recruited Locally

a. U.S. citizens and U.S. nationals residing in the host country may be recruited locally by oversea NAFIs per established country to country agreements. Except in those instances where placement must be made under the provisions of "Employment of Spouses of Military personnel," first priority must be given to the employment of dependents of military and civilian personnel assigned in the host country, without regard to other priorities in this instruction and to off-duty military personnel, when such actions are not at variance with the SOFAs, country to country agreements, treaties, or as prescribed by DODI 1400.23 of 12 May 1989 when the host nation's political or economic conditions require maintenance of the existing local national or U.S. citizen employment balance.

b. When it has been determined that local nationals, U.S. citizens, or U.S. nationals residing in the host country do not possess the necessary training or experience for a particular NAFI position, civilian personnel may be recruited from the U.S. to fill these positions. In general, such personnel shall be limited to key management or supervisory positions and those positions regarded as essential for security reasons.

c. Rates of pay for U.S. citizen NAFI pay band employees who are recruited in the U.S. and its territories and possessions for overseas assignments shall be fixed in conformity with rates paid for work of a comparable level, difficulty, and responsibility to that of NAFI employees in the U.S.

803. Employment of Non U.S. Citizens. The DOD policy governing civilian personnel of DOD including non-U.S. citizens is in DODD 1400.6.

a. Local Nationals. Local laws and customs shall be followed in the employment and administration of local nationals to the extent that such laws and customs are compatible with the basic management needs of the U.S. Forces.

b. Third (Other) Country Nationals. The importation of workers from another country by a NAFI shall only be made when personnel requirements cannot be met by local hire. When it becomes necessary to do so, arrangements should be made with the

host government to permit importation of workers who are acceptable to the host country.

c. Resident Aliens. Resident aliens shall be employed per agreements made with the host country.

804. INS I-9 (CONUS), Employment Eligibility Verification Personnel. Completion of the INS I-9 in foreign areas is not required. However the individual will have to complete one and meet all of the requirements for employment upon entry on duty into a NAFI position in the U.S. or its territories.

805. Allowances and Differentials

a. Authorization. Subject to pre-employment negotiation, allowances and differentials for U.S. citizen/U.S. national employees in foreign areas may be authorized.

b. Controls. If allowances and differentials are authorized, they will be administered per provisions of DOD 1400.25-M, SC 1250 and 1405 and DSSR (Government Civilians Foreign Areas) SC 031.11, 031.12a, 031.12b, and 031.12c, 031.2 and 031.13. Allowances and differentials will not exceed those provided to civil service employees in comparable positions.

c. Limitations

(1) The husband, wife, or dependent of a person employed in a NAF activity under the cognizance of NAVPERSCOM (PERS-65) who is stationed, employed, or resident in an overseas area is not eligible for allowances or differentials when they are overseas primarily to be near their sponsor.

(2) In the case of U.S. citizens/U.S. nationals recruited locally overseas who may claim allowance/differential eligibility, extreme care must be exercised to ascertain that the prospective employee has not held other interim employment between the last entitlement eligibility. The employee should not have exited the country on official "end of assignment" travel orders and reentered at the employee's own expense for the purpose of establishing residence, or seeking employment with an instrumentality of the U.S. Government. Such interim

employment, or exit and reentry would disqualify the employee for any allowance/differential eligibility.

806. Relocation Travel and Household Goods Costs for Employees Recruited in the U.S.

a. Movement Overseas

(1) Subject to pre-employment negotiation, COs in foreign areas may authorize costs for travel and movement of household goods not to exceed the limitations set forth in Joint Travel Regulations (JTR), volume II, provided sufficient local NAFI funds are available to defray these expenses. A Transportation Agreement must be executed when these entitlements are offered to a NAF employee.

(2) Employees who complete less than 1 year of employment with the NAFI that has paid those relocation costs will be required to reimburse the NAFI for these costs unless the local CO forgives the debt.

(3) NAFI personnel offices shall maintain a suspense file on individual tour completions. The employee may make a written request for a tour extension not earlier than 8 months before the end of the tour and not later than 6 months before the end of the tour. NAFIs may also want to take the initiative and issue memorandum of invitation to renew to employees who will be accepted for renewal. The decision as to whether or not to approve an employee's request for tour renewal is a command prerogative. When a tour ends the employee loses U.S. Government sponsorship and this is required for the employee to remain in the overseas location as a nonresident alien. NAFIs should make every effort to provide written notification to employees who whose tour will end and not be renewed 6 months before the end of the tour but not later than 90 days before the end of the tour. Employees without return rights shall be terminated at the end of the tour if possible. This termination is a non-disciplinary termination and is not appealable or grievable.

b. Relocation Costs for Return Home

(1) Return travel and movement of household goods costs upon completion of an overseas tour may be authorized at a level

that does not exceed the limitations set forth in JTR, volume II.

(2) Funds must be reserved by the activity to pay for costs to return an employee to the home of record in the U.S., its territories or possessions, upon completion of the employee's tour. Any costs of this return transportation, beyond those associated with return to the employee's home of record, will be borne by the employee or the gaining activity.

(3) Employees are not entitled to return relocation costs until they have completed their tour of duty, unless otherwise approved by the local CO.

807. Returning Employees. NAF employees who were recruited in the U.S., its territories or possessions, or who otherwise qualify under that criteria and who have satisfactorily completed the established tour in the foreign area may request placement assistance from NAVPERSCOM (PERS-653). An employee who wants this assistance should submit a current OF 612 (FEB 2002), Optional Application for Federal Employment or resume, to NAVPERSCOM (PERS-653) at least 6 months prior to completion of a tour unless a tour renewal agreement has been negotiated with the installation CO. The application must list at least three geographic areas, in order of preference, for priority placement consideration. NAVPERSCOM (PERS-653) will assist the employee to the extent possible, to obtain a position. Figure 8-1 provides an example of a tour renewal agreement.

808. Return Rights

a. Eligibility. NAF return rights may be negotiated with the losing NAFI in advance of the PCS move. Consideration is limited to NAF employees in grades NF-4 and above who have been employed within the NAVPERSCOM NAF system for more than 2 years at a NAFI located within the 50 states. Selection must be for a position at a NAVPERSCOM NAFI outside the 50 states.

b. Negotiated Return Rights

(1) Local NAFI Return Rights. The employee is responsible for initially negotiating return rights with the losing NAFI. Return rights are limited to the last position

held by the employee in the losing NAFI. The return rights agreement must be in the form of a "Memorandum of Understanding" (MOU) signed by both the CO and the employee and duly witnessed.

(2) NAVPERSCOM NAF Employee Return Rights. If return rights are not approved at the local level, an employee may request return rights, in writing via the chain of command, from NAVPERSCOM (PERS-653). Any request must be submitted and approved in writing in advance of commencement of travel to the assignment outside the 50 states. Approval of NAVPERSCOM (PERS-65) return rights will be in writing and on a limited and selective basis. NAVPERSCOM (PERS-65) will assist in trying to locate a position in a NAFI upon request. Placements will be made without any geographical limitation on NAVPERSCOM (PERS-65).

c. Tour Completion

(1) Once extended to the employee, return rights are contingent on the successful completion of the normal tour in the area by the employee. Failure to meet this requirement nullifies a return rights agreement.

(2) Employees must inform their original NAFI and NAVPERSCOM (PERS-653) of their intention to exercise return rights not later than 6 months before the completion of their tour outside the 50 states. Before return rights can actually be exercised, however, the employee must be within 30 days of successful completion of the tour requirement.

d. Duration of Return Rights. Return rights may be negotiated for a period not to exceed the length of the normal tour for the area. Return rights may be renegotiated for one additional tour if approved by both the affected NAFIs and NAVPERSCOM (PERS-65).

e. If an employee exercising return rights under the NAVPERSCOM (PERS-65) portion of this program is offered a comparable position within the 50 states and refuses the offer, their return rights will be canceled.

f. When an employee accepts a comparable offer under the NAVPERSCOM (PERS-65) return rights program, the gaining NAF activity will fund the difference between returning the employee

to the last place of employment within the 50 states and the new duty station.

g. Any exceptions to the policy must be approved by the appropriate NAFIs which employ the individual and NAVPERSCOM (PERS-65).

h. The refusal to authorize return rights is a management prerogative and is not grievable or appealable.

809. Entitlement to Government Quarters and Facilities

a. NAF employees in positions for which it is necessary to recruit from the U.S. will be accorded full membership in the joint overseas military and civilian team to which they make a significant support contribution. Each overseas military CO will provide facilities under their jurisdiction, including Government quarters and family housing, to NAFI personnel, per policies set forth in DODD 1400.6, and other pertinent regulations. The principle of equal treatment of NAF personnel with APF personnel at equivalent grade levels will be followed.

b. U.S. citizen/U.S. national NAF personnel traveling on official business may occupy temporary Government quarters, including guesthouses, under the same terms and with the same eligibility as APF.

810. Medical and Health Services. U.S. citizen/U.S. national NAF employees will have access to the same medical and health service provided APF personnel, per provisions of 5 U.S.C., 7901.

811. Privileges. U.S. citizen/U.S. national NAF personnel will be afforded the same privileges provided their counterparts who are APF civilian personnel in the same overseas area, to the extent permitted by country-to-country agreements. These will include commissary, exchange, laundry, transportation, postal services (APO and FPO), recreation, and religious facilities. The privilege of using clubs and messes will be per grade and position responsibility, as determined by the CO.

812. Home Leave. Home leave is granted on the basis that it is earned by service abroad for use in the U.S., the Commonwealth of Puerto Rico, or possessions of the U.S. The provisions of

OPM regulations are hereby administratively extended and govern home leave for eligible NAF employees recruited in the U.S. and employed in overseas areas.

813. Renewal Agreement Travel. An employee who has completed the agreed period of continuous creditable service outside the U.S., and outside the employee's place of residence if such residence is in the Commonwealth of Puerto Rico, or in any of the possessions of the U.S., and who agree in writing to serve an additional tour of duty at the same or another overseas NAFI, may be authorized renewal agreement travel at the expense of the employing NAFI per JTR, volume II.

a. Renewal agreement travel is allowed from an employee's overseas post of duty to the place of actual residence at the time of appointment or transfer and for the employee's return to the same or another overseas post of duty.

b. Time is not chargeable to leave while in a travel status as long as the travel is by the most direct route.

c. Upon reaching the place of actual residence, an employee will be charged annual leave, home leave, or LWOP, as appropriate.

814. Emergency Leave and Travel. Emergency leave may be granted to U.S. citizen/U.S. national NAF employees assigned outside the U.S. and entitled to return transportation in cases of emergencies, such as serious injury, illness, or death in the employee's family, who is located in the U.S. The period of emergency leave, including travel time; will be charged to annual leave or sick leave under the FEFFLA if appropriate. If an employee has no accrued annual leave, the employee may be placed in a LWOP status. Such employees may be provided government transportation on a space available basis. Red Cross confirmation of the emergency should be secured prior to the approval of the leave and transportation.

815. Local Holidays in Foreign Countries. Local national NAF employees may be authorized time off to observe certain local, national holidays. Such authorization is subject to country-to-country agreements. When all or part of an installation is closed in observance of such a local holiday, and U.S. citizens, U.S. nationals, and third country nationals

are prevented from working, they will be assigned to other work if possible. Otherwise, such employees may be excused without charge to leave or loss of pay.

816. Employee Benefits. Insurance, retirement, medical, and other employee benefits for local national NAF employees are established by agreements with the host country. Regardless of the place of recruitment, U.S. citizens will earn annual leave and accrue sick leave credits per policy governing employees in CONUS, as outlined in chapter 5.

817. Care and Disposition of Remains of Deceased Employees. All regular U.S. citizen NAFI employees are authorized the same care, preparation and disposition of the remains of deceased employees as are authorized to APF employees. All items and expenses normally furnished by the government on a reimbursable basis will be billed to and funded by the employing NAFI.

818. Evacuation of NAF Employees and Family Members

a. Heads of DOD Components prescribe regulations, subject to the approval of SECDEF, governing NAF employee entitlement in emergency situations; procedures for financial assistance to NAF family member evacuees; and employment status of NAF paid personnel during and after an evacuation or crisis situation.

b. Entitlement to emergency evacuation for NAF employees, as well as the payment of allowances and benefits, is authorized for eligible employees as prescribed by the DSSR.

819. Department of Defense Dependent Schools (DODDS). With the enactment of P.L. 101-189, SECDEF has authorized dependents of NAFI employees who were authorized transportation to or from the overseas area at Government expense and are provided an allowance for living quarters in the area to enroll in the DODDS system on a tuition-free basis. The Assistant Secretary of Defense (ASD) in a memo dated 2 August 2001 (copy available at NAVPERSCOM (PERS-653)) authorized enrollment on a space available, tuition free basis to dependents of non-appropriated fund (NAF) full time, local-hire employees in overseas areas. Spaces for these dependents will be assigned based on the date the sponsor was hired in the current overseas location. This is effective beginning school year 2002-2003. The employee must take figure 8-2 with them when they go to request enrollment of their dependents.

SAMPLE TOUR AGREEMENT/TOUR RENEWAL AGREEMENT FOR U.S. CITIZEN/U.S. NATIONAL NAF EMPLOYEES NAFIS IN FOREIGN AREAS

1. Policy. NAF personnel regulations do not limit the total length of time that a NAF employee may spend overseas. However, as an administrative process, NAVPERSCOM (PERS-65) requires execution and approval of a tour agreement or tour renewal agreement for each tour of duty served by a NAF employee. This agreement must be executed and approved by the installation commander prior to completion of DD 1617, DOD Transfer of Civilian Employees outside CONUS (OCONUS) Transportation Agreement.

2. Agreement. I HAVE READ AND UNDERSTAND THE FOREGOING POLICY STATEMENT. I CERTIFY THAT I UNDERSTAND AND ACCEPT THE FOLLOWING CONDITIONS OF EMPLOYMENT:

a. The normal tour of employment in (Name of Foreign Area) is:

_____ Accompanied _____ months
_____ Unaccompanied _____ months.

b. The decision as to whether or not to approve an employee's request for tour renewal is a command prerogative. Disapproval of a request for tour renewal will result in my separation from employment and termination of U.S. Government sponsorship. This sponsorship is required if I wish to remain in this foreign area as a nonresident alien. Termination due to command refusal to renew a tour agreement is considered a non-disciplinary action and is not grievable or appealable.

_____ _____
Name and location of NAFI Employee Pay Plan, Title, Series

_____
Employee Pay Plan, Series, Pay Band/Grade and Position title

_____ _____
Date Employee Signature
_____ approval _____ disapproval

_____
Installation Commander Date

Distribution:
Original: Employee OPF
Copies to: Employee, Personnel

Figure 8-1

SAMPLE VERIFICATION OF ELIGIBILITY TO ATTEND DODDS LETTER FOR OFFICIAL USE ONLY (WHEN FILLED IN)

Local MWR Letterhead

office symbol
(date)

MEMORANDUM FOR DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS (DODDS)

SUBJ: ENROLLMENT IN DODDS AT (SPECIFY LOCATION)

1. MWR NAF Employee Name/SSN:

2. Status: Sponsor employed under U.S. conditions.

3. Recruited: [state whether recruited locally or from the United States] (From the United States includes employees who meet the definition of DSSR 031.1).

4. Date of Appointment to Full Time MWR NAF Position: [date].

5. Term of Appointment: Permanent.

6. Work Schedule: Full Time, 40 hours a week.

7. Employing Activity: (MWR physical location, not necessary to go to specific organization location within MWR).

8. Questions regarding this information may be directed to (MWR POC name and phone number).

MWR DIRECTOR

Figure 8-2

CHAPTER 9
STANDARDS OF CONDUCT AND ETHICAL BEHAVIOR

901. Policy. All NAF employees shall behave and perform professionally and ethically. While explicit, absolute, and continual adherence to all applicable regulations should be the goal, performing within the intent of the regulations is ultimately the desired achievement. The citizens of the U.S. have confidence Federal employees will do their part to preserve the security and well being of this nation. The public expects us to conduct our mission honestly and with integrity. To ensure that this public trust is not betrayed requires strict adherence to the principles of the Code of Ethics.

902. Guidance/Instructions

a. This chapter is only a summarized guide. Questions should be resolved using the most recent revision of the applicable statutes, regulations, policies/local authorized Standard Operating Procedures (SOP).

b. Doubts/questions should be resolved through research of applicable regulations; use of the chain of command; and consultation with the local command ethics counselor or other designated command legal representative.

c. All problems should be resolved at the lowest possible level in the chain of command.

d. The following documents contain the detailed rules, regulations, policy, guidance and information regarding standards of conduct, government ethics, and fraud, waste, and abuse prevention and reporting, that apply to all Navy employees.

(1) DOD 5500.7-R.

(2) SECNAVINST 5370.7B.

(3) SECNAVINST 5430.92A.

(4) Additional information on ethics laws, training materials and current ethics issues can be found on the DOD

Standards of Conduct web site at http://rf-web.tamu.edu/security/SECGUIDE/Ethics/Intro.htm. This site also houses an ethics presentation with explanatory script. Managers and supervisors are encouraged to view this presentation with their employees.

903. Responsibilities. All Supervisors, COs and their superiors will continually monitor enforcement and compliance of these programs and policies. However it is the responsibility of every employee to personally comply with the rules of ethical conduct.

a. NAF employee performance will improve and problems will decrease proportionally to each NAF employee's understanding of, and commitment to standards of conduct, government ethics, and fraud, waste, and abuse prevention and reporting.

904. Penalties. Penalties for violations of ethics standards and rules of conduct prescribed by the JER include the full range of statutory and regulatory sanctions for civilian and military personnel. A violation of the JER is punishable per UCMJ for military personnel and may also be the basis for basic or severe disciplinary actions against Federal civilian employees, which includes NAF employees. Under current DON regulations, employees are encouraged to seek the advice of agency ethics officials. These requests will first be directed to the local installation ethics office. Disciplinary action for violation of regulatory standards will not be taken against an employee who relies on such advice.

905. Ethical Decision-Making Process

a. To make the best ethical choice or judgment, a decision maker needs the following:

(1) A complete understanding of the situation/problem and the environment.

(2) A thorough conceptualization of the DOD, DON, NAF and local rules and regulations that bear on the situation/problem.

(3) A commitment to ethical behavior and adherence to the standards of conduct to examine the pending decision/action (i.e., an ethics check).

b. The decision maker should ask the following about the pending decision or proposed action:

(1) Is it legal and is it authorized? Will I be violating civil law or current DOD, DON, NAF/local rules and regulations?

(2) Is it balanced? Is it fair to all concerned in the short term as well as the long term?

(3) How will it make me feel about myself? Will it make me proud? Would I feel good if my decision/action were published in the newspaper? Would I feel good if my family knew about it?

(4) Am I being sensible, political, and tactful? How can I/we accomplish the outcome of this choice/decision and maintain positive working relationships?

906. Standards of Conduct

a. The nature of many of the activities supported by NAF is such that the civilian employees and assigned military personnel must exemplify the highest standard of personal conduct and integrity.

b. The Standards of Conduct are rules designed to assist in maintaining a high level of integrity and foster public confidence in Government activities. The JER provides these rules and requirements for all government APF and NAF employees.

c. Heads of NAFIs will provide all NAF and APF employees training on the standards of conduct upon entry and as needed. Training will be provided to those employees who have to file a statement of financial interest on an annual basis.

d. In order to maintain the public's confidence in our institutional and individual integrity, all DON personnel will read, be familiar with and comply with DOD 5500.7-R. Employees will avoid any action, whether or not specifically prohibited by

the rules of conduct, which might result in, or reasonably be expected to create an appearance of violation of the JER. Employees are public servants and their actions must not violate any of the following:

(1) Public service is a public trust requiring employees to place loyalty to the Constitution, the laws and ethical principles above private gain.

(2) Employees shall not use their public office for private gain.

(3) Employees shall not bind the Government with unauthorized promises or commitments.

(4) Employees shall not misuse Government resources or information.

(5) Employees shall not impede Government efficiency or economy.

(6) Employees shall not lose complete independence or individual impartiality.

(7) Employees shall not make a government decision outside official channels.

(8) Employees shall not do anything that will adversely affect the confidence of the public in the integrity of the government.

(9) Employees shall not engage in any activity or acquire or retain any financial or association interest that conflicts or appears to conflict with the public interest of the U.S. as it relates to the employee's duties.

(10) Employees shall not accept gratuities from DOD contractors unless specifically authorized by law or regulation.

(11) Employees shall not use their official position to improperly influence any person to provide any private benefit.

(12) Employees shall not use inside information to further a private gain.

(13) Employees shall not wrongfully use rank, title, or position for commercial purposes.

(14) Employees shall not accept or engage in outside employment or activities, including seeking or negotiating for employment that conflicts with official Government duties or which may discredit the Navy.

(15) Employees shall not take or use Government property or services for other than officially approved purposes. All NAF employees have a duty to protect and conserve Federal property, including equipment supplies and other property entrusted to or issued to them. They cannot directly or indirectly use or allow the use of government property for other than official approved activities (this includes property leased to the government).

(16) Employees shall not give gifts to superiors or accept them from your subordinates when it is not appropriate to do so.

(17) Employees shall not conduct official business with persons whose participation in the transaction would violate law or regulations.

(18) Employees shall not make private promises of any kind binding upon the duties of office or the Government.

(19) Employees shall not engage in business with the Government, whether directly or indirectly, inconsistent with the conscientious performance of duty.

(20) Employees shall not engage in financial transactions using nonpublic Government information or allow the improper use of such information to further any private interest.

(21) Employees shall not hold financial interests that conflict with the conscientious performance of duty.

e. All NAF employees shall do all of the following:

(1) Seek ways to promote efficiency and economy in Government operations.

(2) Preserve the public's confidence in the Navy and its personnel by exercising public office, as a public trust
.

(3) Put loyalty to the highest moral principles and to country above loyalty to persons, party, or Government department.

(4) Uphold the Constitution, laws, and regulations of the U.S. and never be a party to their evasion.

(5) Give a full day's labor for a full day's pay, providing earnest effort to the performance of duties.

(6) Ensure that they never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not, and never accept for themselves or for family members, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of Government duties.

(7) Expose corruption and wrong doing wherever discovered. Employees are strongly encouraged to seek the advice of agency ethics officials located in the legal office, on the installation, whenever questions arise.

(8) Satisfy in good faith their obligations as citizens, including all just financial obligations, especially those such as Federal, State or local taxes that are imposed by law.

(9) Adhere to all laws and regulations that provide equal opportunity for all Americans regardless of race, color, religion, sex, national origin, age or handicap.

(10) Act impartially and must not extend preferential treatment to any private organization or individual.

(11) Use assigned Government equipment including computers for official business only. This includes only sending E-Mails involving official Government business and not accessing any improper or pornographic web sites.

(12) Disclose fraud, waste, and abuse.

f. The head of the NAFI shall establish policy with internal controls that establishes and maintains clear procedures to control the consumption of alcoholic beverages and entertainment programs in MWR activities. These standards should promote responsible alcoholic beverage service and provide a safe and wholesome atmosphere for all patrons using these facilities. All MWR employees shall support these standards. Accordingly, violation of alcoholic beverage control or entertainment standards (even as a first offense) by managers, or staff members, are grounds for termination per normal separation procedures described in SECNAVINST 5300.22C and this instruction.

907. Dress and Appearance

a. Employees are expected to comply with reasonable dress and grooming standards based on comfort, productivity, health, safety and type of position occupied. When clothing such as coats and ties create discomfort during hot weather and in places where cooling is minimized to conserve energy, the requirements may be modified.

b. Civilian dress and appearance shall contribute to a safe, healthy, productive and non-disruptive work environment.

c. Employees who wear standard uniforms may be expected to comply with grooming and appearance standards that are more stringent than those required of other employees. These standards shall be in line with job requirements, and similar to standards employed by other Federal, State or municipal governments.

CHAPTER 10
CHARACTER AND SUITABILITY REQUIREMENTS

1001. Policy. NAFIs shall ensure that applicant and NAF civilian employees are suitable for appointment. Information uncovered during personnel investigations that reflect adversely upon the general character, conduct, suitability and reliability of an applicant or of a NAF employee will be handled with confidentiality and in a prompt and equitable manner. During personnel investigations, information may be uncovered which reflects adversely upon the general character, conduct, suitability, and reliability of an employee, which, if known, would have disqualified the employee either for appointment or for appointment to the position in which serving.

a. A demotion or removal action on suitability grounds will be processed under the established procedures for basic/severe disciplinary actions. Reassignment is not appealable or grievable. NAVPERSCOM (PERS-653) should be notified whenever an action is taken against any NAF employee for suitability reasons.

b. When processing reassignment, demotion, or termination on suitability grounds, certain safeguards shall be observed. Information contained in Naval Criminal Investigative Service (NCIS) reports may only be used as support documents for these actions with the approval of NCIS.

c. Information from investigative reports, which has occasioned the contemplated adverse action but which in itself is not acceptable as evidence, may be made the basis for the independent development of unclassified evidence to serve as grounds for the proposed action, provided there is similar protection of confidential sources and the responsible investigative agency.

d. If security considerations preclude using the investigative information as evidence, or as the basis for developing evidence that may be used, and the employee is serving in a non-sensitive position, the adverse action cannot be taken until the supportable evidence is found or the investigative evidence can be used.

1002. Guidelines for Making Suitability Determinations

a. These guidelines provide a basis for uniformity in making suitability determinations for NAFI employment. The many complexities in human behavior preclude the development of a single form to assist the examiner in deciding individual cases. Guidelines are based on the concept that each case shall be decided on its own merits. They attempt to provide a setting in which intelligent and uniform suitability judgments are possible and depend on sound judgment, mature thinking and in-depth analysis.

b. Examiners shall consider all information, both favorable and unfavorable, and assess relevance, recency, and seriousness. They should also be mindful that the objective is to evaluate the fitness of applicants and employees in a manner that will promote the efficiency of the government while assuring fair, impartial, and equitable treatment of the individual. Protecting the interest of the government is the first responsibility, but it also must be remembered that suitability decisions directly affect people's lives and careers.

c. An applicant may not be denied consideration for employment and an employee may not be removed, except for such cause as will promote the efficiency of the service. There must be a rational connection between the individual's conduct and the efficiency of the service.

d. OPNAVINST 1700.9D establishes guidelines for child care and youth employees. SECNAVINST 5510.30A also contains guidance on suitability situations.

1003. Factors to Consider in Making Decisions. Application of the general, specific, and additional factors in this section should result in decisions that are fair to the individual and to the concept that any personnel action should promote the efficiency of the service.

a. General Factors. In determining whether an action will promote the efficiency of the service, the evaluator will make the decision on the basis of the following considerations:

(1) Whether the individual's conduct may reasonably be expected to interfere with effective job performance.

(2) Whether the conduct of the individual may reasonably be expected to interfere with or prevent effective performance by the employing activity.

b. Specific Factors. Any of the following factors may be considered a basis for disqualification in making a determination on the application of the general factors:

(1) Delinquency or misconduct in prior employment.

(2) Criminal, dishonest, infamous, or notoriously disgraceful conduct.

(3) Intentional false statement or deception or fraud in examination or appointment.

(4) Improper use of intoxicating beverages to excess.

(5) Abuse of narcotics, drugs, or other controlled substances.

(6) Reasonable doubt as to the loyalty of the person involved to the government of the U.S.

(7) Any statutory disqualification which makes the individual unfit for service.

c. Additional Factors. In making a determination, the evaluator will consider the following additional factors to the extent they are deemed pertinent in the individual case.

(1) The position for which the person is applying, or in which the person is employed, including its sensitivity.

(2) The nature and seriousness of the conduct.

(3) The circumstances surrounding the conduct.

(4) The recency of the conduct.

(5) The age of the applicant or appointee at the time of the conduct.

(6) Contributing social or environmental conditions.

(7) The absence or presence of rehabilitation or efforts toward rehabilitation.

1004. Guidelines for Applying Specific Factors

a. Security. If there has been a removal or a resignation (while under suspension or after the employee has been informed that charges were to be preferred) in the interest of national security 5 U.S.C. 7532, P.L. 81-733 or other similar law and there is no evidence of a subsequent clearance, the case should be referred to NAVPERSCOM (PERS-653) for consideration.

b. Prohibited Political Activity. If there has been a separation for prohibited political activity, the case should also be referred to NAVPERSCOM (PERS-653) for necessary consideration.

c. Criminal, Dishonest, Infamous or Notoriously Disgraceful Conduct. This is the broadest of the disqualification factors and one that most frequently overlaps with others. It implies behavior that is outside the normal pattern and is generally unacceptable in our society. The components are discussed separately below. When overlapping occurs, it will be necessary to apply the guidelines for each particular disqualification and to consider the whole in determining the effect it may have on promoting the efficiency of the service.

(1) Arrests. If a person's record contains multiple arrests or an arrest for a single serious crime, but that the charges have been dismissed or not prosecuted, more facts are usually needed before a decision is made. An arrest alone is not proof of guilt. All pertinent facts should be considered before making a decision in the case. Fitness decisions are administrative in nature and are based on facts that establish a person's conduct and actions, not solely on the legal outcome of a criminal proceeding.

(2) Convictions. Arrest records, officers' reports, and court records are generally considered in deciding cases involving criminal convictions. When individuals have been imprisoned, information concerning the prison record, the extent of rehabilitation, and related matters should be obtained from the appropriate prison, probation, and parole officers. Then, all facts must be considered to determine whether employment of

the individual could reasonably be expected to have an adverse effect on the efficiency of the service.

(3) Indictments. Application from persons who have been indicted for a serious offense may be accepted, but the person will not be considered for appointment. The person will be informed that they will not be considered for appointment until a disposition of the case has been submitted to the personnel office where the person is applying. Upon receipt of this evidence and following any necessary investigation, a suitability determination will be made. Activities should likewise suspend consideration for employment until a disposition is made of pending criminal charges.

(4) Juvenile Crimes. A juvenile offender is one who committed an act in violation of a law, regulation, or ordinance before their 18th birthday, and the offense was finally adjudicated in a juvenile court or under a youth offender law. A juvenile offender is not required to answer affirmatively a question as to whether they were convicted for an offense against the law when the question is asked in NAFI employment application forms. Arrests that were adjudicated in a juvenile court may not be used by an activity to disqualify a person for appointment to a NAFI position. If the offense was adjudicated in a court other than a juvenile court, or under a law other than a youth offender law, the applicant is required to answer affirmatively any questions on convictions, which may appear on applications and appointment papers, regardless of the person's age at the time the offense was committed.

(a) The arrest for which juvenile offenders were required to appear before a juvenile court may not be used to disqualify them for a position in the Federal service.

(b) A person whose conviction has been set aside under the Federal Youth Corrections Act, or similar State authority, need not list a conviction in response to a question asking for this kind of information in any application for Federal employment. If convictions set aside under the act are admitted they may not be used to disqualify a person for any examination or for appointment in a NAFI position.

(5) Expunged Records. Some States authorize expungement of a record of arrest or conviction in certain circumstances.

Applicants for Federal employment are not required to admit a record of conviction when that record has been expunged under State or Federal law. Even though a criminal record may have been expunged, the examiner, in making fitness determinations, must be concerned with the fact and circumstances of the behavior initially alleged to have been criminal, not with the legal ramifications of expunged records.

(6) Dishonest Conduct. Dishonest conduct is an act or failure to act which indicates deliberate disregard for the rights of others, generally through the use of lies, fraud, or deceit. The following examples of dishonest conduct are not intended to exclude other types of conduct that may also involve dishonesty:

(a) Misappropriation, or misuse of funds.

(b) Falsification of records or accounts, or willful failure to keep accurate records or accounts.

(c) Theft.

(d) Offer or acceptance of a bribe.

(e) Willful disregard for just financial obligation.

(f) Willful disregard for the truth.

(7) Infamous or Notoriously Disgraceful Conduct

(a) The disqualification for infamous conduct relates to those individuals whose social behavior is so bizarre or so clearly aberrant that the conduct itself evidences depravity. Such things as incest, child abuse, bestiality, self-mutilation, and similar acts are of such a nature that employment of the individual clearly would not promote the efficiency of service. In such cases, the behavior itself is sufficient grounds for disqualification for any position in the Federal service.

(b) Notoriously disgraceful conduct is that conduct which is shameful in nature and is generally known and talked of in a scornful manner. It is important to recognize that in most instances, the presence of notoriety and public censure would be

the prime consideration in making an adverse finding rather than the shameful conduct itself. Evaluators must be careful to avoid letting personal disapproval of such conduct influence their decisions. Disqualification in such cases is warranted only when the notoriety accompanying the conduct can reasonably be expected to adversely effect the person's ability to perform the job, or the activity's ability to carry out its responsibilities.

(c) Individual sexual misconduct will be considered under the guides discussed above.

(8) Homosexuality. Persons may not be disqualified from Federal employment solely on the basis of homosexuality.

(9) False Statements Deception or Fraud in Examination or Appointment. If a person has made a false statement or concealed or misrepresented pertinent information disqualification or termination is usually appropriate.

(10) Habitual Use of Intoxicating Beverage to Excess. P.L. 91-616, enacted on 31 December 1970, provides that "no person may be denied or deprived of Federal civilian employment or a Federal professional license or right solely on the grounds of prior alcohol abuse or alcoholism." This law affords full opportunity for employment consideration to those who have been alcohol abusers but now are rehabilitated or make genuine efforts to become rehabilitated. It encourages rehabilitation by eliminating penalties for past abuse. While the law prohibits denial of employment solely on the grounds of prior alcohol abuse. The Federal government is not required to employ persons who are abusing alcohol on a current and continuing basis.

(11) Abuse of Narcotics, Drugs, or Other Controlled Substances. P.L. 92-255, the Drug Abuse Officer and Treatment Act of 1972, states that "No person may be denied or deprived of Federal civilian employment...solely on the basis of prior drug abuse." Since the language in P.L. 92-255 and P.L. 91-616 (alcohol abuse) is identical for all practical purposes, it may be concluded that the intent and purpose of these laws are the same.

(12) Reasonable Doubt as to the Loyalty of the Person Involved to the Government of the U.S. In cases involving a reasonable doubt as to the loyalty of the applicant or employee to the government of the U.S., the nexus between disloyalty and inability to serve is self-evident.

(13) Any Statutory Disqualification Which Makes the Individual Unfit for Service. Only persons who are legally disqualified are automatically excluded from employment in NAF positions. Judgmental factors are not involved where legal bars exist. The various laws contain specific employment restrictions that must be enforced. When a person is excluded by such restrictions, notification of ineligibility should be in writing, citing the appropriate statutes. For example, P.L. 90-351 (5 U.S.C. 7313) places restrictions on the employment of persons convicted in connection with certain riots.

1004. Guidelines for Applying Additional Factors. Certain types of personal conduct are disqualifying without regard to the additional factors. Examples of such conduct are current use of intoxicants habitually to excess, current drug abuse, and all statutory disqualification. In the majority of cases, consideration must be given to the additional following factors below:

a. Kind and sensitivity of position.

b. Nature and seriousness of the conduct.

c. Circumstances surrounding the conduct.

d. Recency of the conduct.

e. Age of the applicant or appointee at time of the conduct.

f. Contributing social or environmental conditions.

g. Absence or presence of rehabilitation or efforts toward rehabilitation.

CHAPTER 11
PERSONNEL RECORDS DISPOSITION SCHEDULE

1101. Transferring Records (NAF and APF) to Other Custody. Naval records may be moved and assigned to other custody within the naval establishment, to Federal Records Centers (FRCs), to the National Archives and Records Administration (NARA), or to other government agencies. When moving the records involves a change in custody, the move is referred to as a record transfer. Changes in location within the activity, usually by removal to local storage areas, are referred to as records retirement. For detailed instructions governing the disposal of both APF and NAF records, refer to appendix G.

1102. Scope. This chapter covers the disposition of OPFs and other records relating to NAF personnel wherever employed by DON, except for those non-U.S. citizens employed outside the U.S. and its territories; general NAF records disposition; and NAF financial records disposition. DON NAF employee personnel records relate to the supervision over and management of such employees. Any records created prior to 1 January 1921 must be offered to the NARA for possible permanent retention before these disposition instructions may be applied.

1103. APF Records Disposition. Upon disposal of APF records, refer to appendix G for detailed disposal instructions.

1104. NAF Records Disposition. NAF personnel records shall be disposed of per the schedule contained in appendix G.

CHAPTER 12
NONAPPROPRIATED FUND (NAF) TRAVEL

1201. Policy and Scope. It is DON policy to follow the guidelines established in the JTR, volumes 1 and 2, for travel funded with NAF. The travel guidance in this chapter summarizes the main points of the JTR as well as supplements the JTR guidance for personnel whose TAD travel is paid with Navy NAF. NAF policy may be more stringent than the JTR, but it may not exceed the JTR without NAVPERSCOM (PERS-653) approval. Contact NAVPERSCOM (PERS-653) for further information, if needed.

1202. Types of Temporary Travel

a. TAD. This duty status applies to a member who is temporarily detached from the permanent duty station to perform duty at another location, either within or OCONUS. Upon completion of the TAD, the employee returns to the permanent duty station and resumes the regularly assigned duties. NAFIs will not direct civilian employees to perform official travel without furnishing or providing for reimbursement for necessary transportation and travel allowances.

b. Invitational Travel Orders (ITO's). This term applies to travel which may be authorized for persons who are not Federal Government employees or members of the Uniformed Services when they are acting in a capacity that is directly related to, or in connection with, official activities of DOD. JTR, volume 2, paragraphs C3106 and C6000 through C6003, sets forth

(1) the circumstances under which orders of this type may, and may not, be issued.

(2) the travel entitlement of person's performing this travel.

(3) the modes of transportation which the traveler is authorized to use.

(4) a sample order format.

(5) ITO's for Navy are issued using an NAVSO 4650/10 (Rev. 8-72), Department of the Navy invitation Travel Order. Individuals receiving ITO’s may not be paid a travel advance.

c. TAD "No Cost" (Permissive) Travel Authorizations. On certain occasions, travel may be desirable from the Navy's viewpoint but not sufficiently necessary to warrant the expenditure of limited travel funds. Under these circumstances, an authorization may be issued, as distinguished from directing, for the individual concerned to travel at no expense to the government. The travel authorization block must contain the following statement:

(1) "This authorization is issued with the understanding that you will not be entitled to reimbursement for transportation, per diem, or miscellaneous expenses in connection therewith. In case you do not desire to personally bear this expense, you will consider this authorization canceled."

(2) The traveler must sign after the above statement.

1203. Criteria for Travel

a. Mission Essential. The definition of mission essential travel is travel necessary to carry out a basic mission objective. Prior to approving travel fitting this definition, alternatives such as correspondence, tele-conferencing or combining trips to the same area, in order to accomplish multiple purposes, must be considered. Once the necessity for the travel has been established, the approving official must ensure that the number of personnel authorized to travel and the duration of the travel is held to an absolute minimum consistent with the nature and urgency of the mission to be performed.

b. Administrative. This is travel that could be canceled without directly impacting essential or basic mission objectives of the activity, or which could be achieved by alternate means. Examples of administrative travel are coordination visits between activities or training courses not specifically required for job performance. Travel that meets this definition should be held to the minimum.

1204. Travel Purpose Categories. Depending on the purpose of the TAD, one of the following categories must be entered in block 16 (Remarks Section) of the TAD orders, DD 1610 (JAN 2001), Request and Authorization for TDY Travel of DOD Personnel.

a. Site Visit. Travel to a particular site in order to perform operational or managerial activities (e.g., to oversee program activities, or manage activities for internal control purposes; carry out an audit, inspection, conduct negotiations; provide instructions; or provide technical assistance).

b. Information Meetings. Travel to attend a meeting to discuss general agency operations, review status reports, or discuss topics of general interest. If a site visit was conducted as part of the same trip, consider the entire trip to be for the purpose of a site visit.

c. Training Attendance. Travel is to receive training.

d. Speech or Presentation. Travel to make a speech or a presentation, deliver a paper, or otherwise take part in a formal program other than a training course.

e. Conference Attendance. Travel to attend a conference, convention, seminar, or symposium for purposes of observation or education only with no formal role in the proceedings.

f. Special Mission Travel. Travel to carry out a special agency mission; (e.g., non-combat military units); provide security to a person or a shipment (such as a diplomatic pouch); move witnesses from residence to other locations; travel by Federal beneficiaries and other non-employees.

g. Emergency Travel. Travel to return an employee from a temporary assignment location to take care of an emergency situation.

h. Other Travel. All travel performed for reasons (purposes) which are not shown in one of the categories listed above. Even though stated as "other travel" the travel authorization and voucher must also detail a specific purpose.

1205. Administration of Temporary Additional Duty (TAD) Travel

a. Applicability. This chapter is applicable to all individuals authorized to travel using NAF.

b. Approval. Travel will be ordered and performed using an approved and authorized DD 1610. The Order Authorizing Officials (block 20) are the program director/deputy director (e.g., the MWR director or VQ manager) of the activity. The approval authority for the MWR director must be one level above the director.

c. Passports, Visas, Immunizations, and Clearances. The instructions for obtaining passports, visas, immunizations, and area clearances are found in BUMEDINST 6230.15 (Immunizations) and DOD 4500.54-G, Foreign Clearance Guide. It is the traveler's responsibility to obtain the required passport, visas, immunizations, and terrorism briefs and area clearances prior to travel outside CONUS.

d. Use of Government Quarters. Travel approving officials will ensure that the JTR is complied with on all travel. Sections, C1055 and C4450 are two specific sections that should be checked in relation to the use of government quarters.

e. Standards of Conduct. Employees in a travel status are to adhere to the Standards of Conduct and JER.

f. Prudence in Travel. A traveler on official business will exercise the same care in incurring expenses and accomplishing a mission that a prudent person would exercise if traveling on personal business. Unnecessary or unjustified excess costs, circuitous routes, delays, or luxury accommodations in the performance of a mission are not considered prudent and may not be reimbursed.

g. Beginning and Completing Travel. Whenever possible, travel will be scheduled so that employees may travel during normal working hours and not on their own time.

h. Transportation. Travelers are expected to select the least costly route. When a traveler takes leave while traveling, in no instance can the costs of the personal travel and business travels be combined and charged as a government business expense. Personal travel must be paid using personal funds. If the leave would provide ticketing at no additional costs to the government, then the justification for the purchase must accompany the travel orders request prior to signature. When, for convenience, a person travels by an indirect route or interrupts travel by a direct route, the extra expense will be borne by the traveler. Any excess travel time not justified will be charged to the traveler's annual leave balances or LWOP if no annual leave available). The following modes of transportation may be utilized:

(1) Air Transportation

(a) Class of Air Service. Coach class is prescribed for all travelers. Exceptions are

1. an upgrade of service is received at no additional cost to the government.

2. a traveler pays the difference between coach and a higher class of service at the time the ticket is purchased.

(b) Employee Responsibility. In all cases, it is the responsibility of the employee to justify the reasons for upgrade from coach class services. In instances where upgraded service is used, regardless of circumstances, the traveler must attach a written statement to their travel claim detailing the circumstances for use of such service.

(c) Purchase of Tickets. The purchase of airline tickets in advance of having obtained a travel order number is prohibited. Travelers are encouraged to obtain orders and purchase tickets as early as possible to take maximum advantage of fare discounts.

(d) Penalty Payments from Carriers. Payments received from a carrier for failure to provide confirmed reserved space are due to the NAFI. It is the responsibility of the traveler to report such payments.

(e) Voluntarily Vacating Seat. Payments received from a carrier for voluntarily vacating a seat because of over booking are distinguishable from penalty payments and can be retained by the traveler. Travelers are not permitted to voluntarily give up their reserved seat if doing so would impinge upon the performance of official duties. If the traveler voluntarily gives up their seat and thereby incurs additional travel expenses beyond that which would have normally been incurred, these additional expenses must be offset against the payment received by the traveler. Additionally, if giving up the seat delays the traveler during official duty hours, the traveler must be charged leave for the additional hours. If the traveler is involuntarily bumped by the airline, they will not be charged leave for the additional hours.

(f) Cancellation of Tickets. Travelers who have a change in itinerary that necessitates the cancellation of airline tickets must turn in the canceled tickets/credit slips to the NAFI with the travel claim. Notification to an airline that a flight will not be taken does not constitute an automatic refund of the fare. Never throw tickets or ticket stubs away; always submit them with the travel claim.

(2) Surface or Ship Transportation. When surface or ship transportation is used, coach or equivalent will be used if available. One standard lower berth on a train or the lowest priced stateroom on a vessel is authorized for overnight travel.

(3) Bus, Streetcar, Subway, and Taxicabs. Transportation costs by bus, streetcar, or subway to connect with carrier terminals and between temporary duty station and place of lodging are allowable as transportation expenses. Taxicabs are authorized for use when suitable government-owned or leased transportation or common carrier facilities, including airport limousine service, are not available. Reimbursement of taxicabs for employees in a temporary duty travel status is restricted to the circumstances outlined below.

(a) Between the common carrier terminal and the employee's place of business or place of lodging.

(b) Between common carrier terminals while en route when necessitated by change from one common carrier to another.

(c) Between temporary duty station and a place where meals are procured when suitable meals cannot be obtained at the temporary duty station (a statement of necessity for such travel should accompany the travel voucher).

(d) Between common carrier terminal and place of lodging in connection with unavoidable delays en route incident to transportation.

(e) Between place of abode or permanent duty station on the days of departure and return to the permanent duty station incident to temporary duty requiring at least 1 night's lodging.

(4) Use of Helicopter. The use of an air taxi is not considered essential. When circumstances appear to dictate the use of a helicopter, the orders must contain such authorization.

(5) Use of Rental Vehicles, Government Vehicles, etc. (Special Conveyance). Employees in a temporary duty travel status may use special conveyances such as rental or hire vehicles, if their use is authorized in the travel orders. The use of a MWR vehicle is an alternative for avoiding the cost of renting a vehicle from a commercial rental company. This alternative should be pursued unless such an action would clearly be prejudicial to the objectivity of the visit. Vehicle rentals may be allowed in lieu of a common carrier when the cost of the rental would be less than that cost of a common carrier (i.e., several people traveling together or where there are no direct common carrier routes). If a commercial rental is necessary, a statement to that effect must be included in the travel orders. The least expensive adequate rental vehicles will be used. Travelers will be reimbursed up to the compact rate even if intermediate or luxury cars are rented. An upgrade to a larger vehicle is authorized when three or more travelers are sharing the rental conveyance. Rental vehicle use is limited to official purposes only. This would include places incident to travel where the employee is required to be such as to and from temporary lodging, obtaining suitable meals, drugstores, barber shops, places of worship, cleaning establishments and similar places necessary for the overall sustenance, comfort, or health of the employee. Required parking and fuel costs are reimbursed to the traveler. These require receipts for reimbursement.

(6) Travel by POV. POV usage may be authorized for employees while on official business. This usage may not be directed but will be permitted when requested by the employee and it is considered to be advantageous to the Government. Travel by POV must be authorized in the travel orders.

(a) When traveling by POV, the points between which travel was performed must be shown on the travel claim. Any unusual conditions or circumstances that may affect mileage allowances must be explained since mileage will generally be limited to official mileage tables.

(b) When travel by POV has been authorized for the convenience of the traveler, total mileage and per diem expenses will not exceed that payable for constructive travel. A statement by the employee explaining the constructive cost comparison must accompany their travel claim. Constructive transportation cost to the Government will be computed on the basis of rates or charges for the most direct, least costly common carrier transportation between authorized points.

i. Completion of TAD Travel Orders. All NAF employees must use DD 1610 in connection with official temporary duty travel. Preparation of the form is, for the most part, self-explanatory. In general, it should be completed as follows

Item	Explanation
1.	Enter day, month, and year.
2.	Enter name and SSN of a traveler.
3.	Enter position title and grade or rating as appropriate.
4.	Enter name and location of permanent duty station.
5.	Enter division, branch, section or unit to which traveler is assigned.
6.	Enter permanent duty station phone number.
7.	Enter as appropriate - e.g., single, group, etc.

8. Security clearance - list degree of security clearance held by traveler, e.g., position of trust.

9. The purpose of the travel must be clearly defined, e.g., to attend meetings with _____ to discuss _____, or to participate in a working group to (assist, define, resolve, etc.) _____, etc.

10. (a) Self-explanatory.

(b) Indicate beginning travel and estimated departure date.

11. Indicate places from and to which travel is authorized and return point. If a route is altered, an amendment/modification must be completed.

12. Indicate in the blocks provided the mode(s) authorized. If travel is to be by POV indicate whether it is considered advantageous to the government or would be reimbursed solely as constructive travel. If either block is marked, a statement must accompany the order that shows the cost comparisons and rationale for requesting use of POV.

13. When JTR rates are to be paid, mark the block with (x) preceding the words Per Diem authorized in accordance with JTR. If the rate is something other than normal JTR allowance, i.e., reduced, mark the block preceding by Other Rate of Per Diem and enter the reduced rate.

14. Per Diem rates can be obtained via the JTR, the base comptroller, or by contacting NAVPERSCOM (PERS-652).

15. Advance Authorized - advances are to be computed at 80 percent of the estimated per diem, travel and other if the total exceeds $50. Other expenses prepaid by the activity cannot be used in computing the advance.

16. Remarks - the purpose of the remarks section is to request and receive authorization for additional requirements and to provide instruction to vendors (i.e., hotels and car rental agencies). If lodging/messing are not available, provide the nonavailability number in this block. The additional requirements and instructions most frequently used by travelers

are listed below. Travelers are to use only those that pertain to a specific trip. Only the information provided in the remarks section is considered as reimbursable to the traveler.

- Government quarters authorized.

- Commercial quarters authorized - TAD not performed at government installation.

- Commercial quarters authorized - Adequate government quarters not available.

- Taxi in and around TAD sites authorized.

- Explanation of "Other" expenses, e.g., a rental car, a conference registration fee, which includes meals, etc.

- Excess baggage authorized (only for frequent travelers).

- Authorized exchange privileges per DODD 1330.9 of 27 November 2002 when outside CONUS, Alaska, Hawaii or occupying Government quarters on military installations.

- All expenses incurred in the execution of these orders are exempt from State and local taxes.

17. Requesting Official - applicable to program director, deputy, section heads, traveler, etc.

18. Approving official - business manager, financial manager, etc.

19. Insert "travel funded by (appropriate NAF activity/code)."

20. Order authorizing official - program director/deputy. Approval for the program director/deputy must be one level above them.

21. Self-explanatory.

22. Obtained from business office.

j. Travel Order Endorsements. It is sometimes necessary to change travel orders after the original DD 1610 has been prepared and authorized. Orders may be endorsed or amended to reflect these changes. This may be accomplished by preparing an endorsement to the original orders, signed by the applicable authorizing official, denoting the specific changes to the original DD 1610.

k. Rest Stops

(1) General. When travel is directed between duty points which are separated by several time zones and at least one duty point is outside CONUS, a rest period not in excess of 24 hours may be authorized or approved when air travel between the duty points is by less-than-first-class accommodations and the scheduled flight time (including stopovers of less than 8 hours) exceeds 14 hours by a direct or usually traveled route.

(2) Location of Rest Stop. The rest stop may be authorized at any intermediate point, including points within CONUS, provided the point is midway in the journey or near to midway as requirements for use of U.S. flag air carriers and carrier scheduling permits.

(3) Travel Indirect Route. A rest stop will not be authorized when an employee, for personal convenience, elects to travel by an indirect route resulting in excess travel time.

(4) Per Diem. The per diem rate for the rest stop will be the rate applicable for the rest stop location.

(5) Rest Period Before Reporting for Duty. When carrier schedules or the requirements for use of U.S. flag air carriers preclude an intermediate rest stop, or a rest stop is not authorized, it is recommended that the employee be scheduled to arrive at the temporary duty point with sufficient time to allow a reasonable rest period before reporting to duty.

1206. Per Diem. Per diem allowances will be paid to employees as prescribed in JTR, volumes 1 and 2. Per diem is not allowed when the period of travel is 10 hours or less. Per diem is payable for whole days; exception is 75 percent of the appropriate meals and incidental expense rate will be paid for day of departure and day of return, regardless of

departure/return time.

1207. Travel Within Continental United States (CONUS). Per diem for travel within CONUS, unless specified differently in the travel orders, is based on the lodging-plus system. With this system, the per diem allowance for each day of temporary travel is established on the basis of the actual amount the employee pays for lodging plus a prescribed amount for meals and incidental expenses (M&IE) with the total amount not to exceed the applicable locality rate authorized. The M&IE rates are set by locality. Lodging receipts are required for reimbursement and will be paid up to the maximum authorized for each location. Excess lodging costs must be pre-approved.

a. Employees should fill the gas tank before returning a rental vehicle. The employee could be held responsible for excessive gasoline costs charged by the rental car company if the tank was not filled prior to returning the car.

b. Whenever meals and lodging are provided to an employee without cost, per diem is set at $2/day CONUS and $3.50 OCONUS (refer to JTR, para. C4556 for incidentals).

c. If a lodging receipt shows a charge for double occupancy, the travel voucher should explain why. Only one-half of the double occupancy charge will be allowed if the second person is a Government employee on official travel. If the second person is a non-Government employee on official travel, only the single room rate will be allowed.

d. When an employee obtains lodging with friends or relatives with or without charge, no amount will be allowed for lodging.

e. Computation

(1) 10 Hours or Less. No per diem is allowed for travel of 10 hours or less within the same calendar day.

(2) More than 10 Hours. When travel is more than 10 hours but less than 24, 75 percent of the appropriate M&IE rate will be paid.

(3) Travel of 24 Hours or More. The travel status and

location of the employee at 2400 will determine the per diem rate and whether lodging was required.

(4) Day of Departure/Day of Return. For day of departure

(a) with lodging. When lodging is required on the day travel begins, the employee will be reimbursed for the actual cost of lodging up to the maximum prescribed for that locality plus the allowable portion of the M&IE rate.

(b) without lodging. When lodging is not required on the day travel begins; the per diem will be computed as 75 percent of the appropriate meals and incidental expense rate.

(c) day of return. For the day travel ends, the per diem allowance will be computed as 75 percent of the appropriate meals and incidental expense rate.

(5) Travel by POV. Maximum reimbursable mileage rates for POVs are subject to change and are based upon the GSA schedule. Check with your travel office to obtain the current correct rate.

(6) Reimbursable Expenses. M&IE allowances are intended to cover most of the incidental expenses for a traveler on orders; however certain expenses are reimbursable as separate items. These include

(a) taxis when authorized in travel orders.

(b) rental cars when authorized in travel orders.

(c) gas for rental cars and Government vehicles.

(d) parking, road and bridge tolls.

(e) streetcar, subway or bus transportation when authorized in travel orders.

(f) excess baggage when authorized in travel orders.

(g) conference fees.

(h) travelers checks fees, money orders purchased in connection with travel.

(i) passports, visas, and photographs as required for business travel.

(j) charges for inoculations that cannot be obtained through a Federal dispensary for travel OCONUS.

(k) currency conversion charges and exchange fees.

(l) airport fees such as embarkation, debarkation, airport taxes as assessed to the traveler upon arrival or departure from terminals CONUS/OCONUS.

(m) TV rental in VQ.

(n) telephone service for official local calls (personal calls up to $5 per day for calls home) - must submit phone bill with travel claim. Official long distance calls - must submit phone bill with travel claim, authorized by approving official.

(o) nonrefundable rent/room deposits are reimbursable if, through no fault of the employee, a trip is canceled.

1208. Claims for Reimbursement of Travel and Transportation Expenses. All travelers must submit travel claims for reimbursement within 5 duty days of completion of travel. If a traveler is on an extended temporary assignment, claims must be submitted at least every 30 days or in time for the employee to pay credit card charges timely. Earlier submission of claims is strongly recommended for it speeds processing time and reimbursement to the traveler. Payment will be made within 5 working days of receipt of travel claim. If after 90 days, a travel claim remains unsubmitted, no reimbursement for travel for the trip will be paid and the advance will be reclaimed by paycheck.

a. Temporary Travel on Orders. When traveling on orders, travelers must submit their travel claims on a DD 1351 (JUL 1999), Travel Voucher. Care should be used in filling out this form so as to not delay its processing. If explanations are

necessary for unusual items, attach a memorandum explaining the claim and its justification for reimbursement. The claim form must be accompanied by

(1) commercial or Government lodging receipts.

(2) airline tickets, airline ticket stubs and airline credits regardless of payment method.

(3) rental car receipts including parking and gas.

(4) an original copy of the travel orders and amendments, if applicable.

1209. Leave While on Orders. When on leave while traveling, the Leave Statement, line 8, of the travel claim must be completed and the period of leave must be listed in the itinerary. If leave of more than 1/2 of the prescribed daily working hours is taken, no per diem can be allowed for that day. Federal holidays and weekends are not considered workdays. Employees are paid per diem on non-workdays until they return to their official duty station or place of abode, except in the following circumstances:

a. When employees are in a leave status at the end of the workday before the non-workday and at the beginning of the workday following the non-workday.

b. The period of leave on either of those days is more than 1/2 of the prescribed working hours for that day.

CHAPTER 13
WORKERS' COMPENSATION PROGRAM

1301. Nonappropriated Fund Instrumentalities Act (NAFIA) 5 U.S.C. 8171-8173

a. Self-insurance. The NAFIA which was effective 18 November 1958 extended the provisions of the LHWCA (33 U.S.C. 901 et seq.) to NAF employees. The LHWCA pertains to NAF employees of the Federal government, and is administered by the DOL. The individual workers' compensation statutes that are administered by the various States do not have jurisdiction over NAF employees of the Federal government. In order to comply with the NAFIA NAVPERSCOM (PERS-653) self-insures the workers' compensation insurance program that covers all NAVPERSCOM NAF employees for accidental injuries or occupational diseases arising out of and in the course and scope of their employment.

b. Provisions. The NAFIA does not require the employee to establish the employer was at fault for the employee's accident, nor does the employee have to prove they were entirely free from fault for their own accident/injury. The only requirement is that the injury arose out of, and occurred during the course and scope of employment. If so, the employer is liable for all valid workers' compensation claims without regard to fault.

c. Limitations/Requirements. The NAFIA removes the employee's common law right against the employer and substitutes a remedy that requires the employer to pay specific benefits. This obligation on the employer to pay under this statute becomes an absolute or strict liability of the employer. In other words, the statute makes it mandatory that the employer pays the costs that accrue to all valid workers' compensation claims. However, it also prevents the employee from suing the employer for damages as a result of that employee's job-related injury or occupational disease.

1302. Applicability. Provisions of the NAFIA apply to benefits for disability or death resulting from job-related injury or occupational disease to

a. employees of the NAFI within the United States.

b. U. S. citizens, or permanent residents of the United States or its territories and possessions while employed by the NAFI outside the U.S.

1303. Exclusions

a. Active Duty. Active duty military members including those employed during their off-duty hours are not eligible for NAF workers' compensation. Military members receive medical, dental and disability benefit coverage from their military status, regardless of whether an injury or illness occurs while they are on or off-duty.

b. Foreign National Employees. Heads of NAFIs at overseas activities must advise NAVPERSCOM (PERS-653) promptly upon determination that they have foreign national including third country foreign national employees without workers' compensation or medical coverage. These employees are normally provided coverage through local law, under a provision of a SOFA, a contract or some other document that provides benefits to foreign national NAF employees. Third country foreign national employees are those employees without U. S. citizenship, who are citizens of a country other than the host country where the overseas naval installation is located. If there is not already something in place to provide this coverage, the head of the NAFI and the installation CO shall meet this need to provide worker's compensation and medical coverage through the purchase of a separate commercial insurance policy that provides workers' compensation and medical coverage for these type employees. NAVPERSCOM (PERS-65) does not provide this coverage to foreign national including third country national employees.

c. Contract Personnel. Contract personnel including NAF employees while performing contract duties are not covered by workers' compensation. Contract personnel are required to provide their own coverage under their contract.

1304. Coverage. Compensation will be paid under the LHWCA for the disability or death of an employee arising out of and in the course of employment or when it is related to it. Compensation may be denied if the injury was due solely to intoxication or resulted from a willful intent to injure or kill themselves or another person. In broad terms, the LHWCA covers employees during the following times:

a. From the time they report for duty until the time they leave at the end of working hours.

b. During traveling away from their duty station under orders of temporary duty or during local travel at the direction of the employer, unless the employee deviates from the course and scope of employment.

c. The LHWCA does not normally cover an employee while they are going to or from their place of work.

1305. Program Administration. NAVPERSCOM (PERS-653) provides overall management for the self-insured workers' compensation program. Day to day processing is usually handled through a third party administrator (TPA). The TPA processes and pays employee claims as required by the NAFIA, from funds provided by NAVPERSCOM (Pers-653). Payment of claims over $10,000 shall be discussed with and approved by NAVPERSCOM (PERS-653) before payment. NAVPERSCOM (PERS-653) will publicize the address, phone number, etc. of the TPA to NAFIs annually or as changes occur.

1306. Benefits Authorized. Workers' compensation benefits are stated in the LHWCA and NAFIA. Highlights of these benefits are listed below.

a. Medical Care. NAF employees eligible for benefits are entitled to medical services (including required dental care), medicines and supplies, to the extent required by the nature and severity of their injury as required by the recovery and rehabilitation process, subject to the provisions of the LHWCA.

(1) Electing Treating Physician. An employee has the right to choose an attending physician who will be authorized to provide care under the LHWCA. An employee may not change physicians after they have made an initial selection of an attending physician unless prior NAVPERSCOM (PERS-653) or TPA consent has been given for the change. When prompt treatment is needed and the employee is unable to choose a doctor, the head of the NAFI will select one.

(2) Forms Submission. The treating physician shall, within 10 days after the first treatment, send a medical report using DOL LS-1 (Rev. MAY 1998), Request for Examination and/or Treatment, part B, to the Deputy Commissioner of the local DOL,

the TPA and the employing NAFI. Thereafter, the doctor should send supplemental reports to these same places at regular intervals using DOL LS-204 (Rev. MAY 1998), Attending Physician's Supplementary Report (Longshore and Harbour Worker's Compensation Act, as extended).

b. Disability Compensation

(1) Total Disability. Employees permanently or temporarily totally disabled because of an on-the-job injury or occupational disease may receive 66 2/3 percent of their average weekly wage (AWW), subject to the maximum and minimum rate specified in law. The AWW will not exceed an amount equal to 200 percent of the national AWW as determined by Secretary of Labor, or be less than 50 percent of the national AWW as determined by Secretary of Labor. Employees whose AWW is less than the minimum receive 100 percent of their AWW.

(2) Partial Disability. Compensation for temporary or permanent partial disability is two-thirds of the difference between the AWW before the injury and the wage-earning capacity after the injury. In addition, employees who lose parts of the body (fingers, toes, hands, feet, arms, legs, and eyes) may be entitled to scheduled awards.

c. Death Benefits. The following benefits are payable if an injury results in a qualifying work-related death.

(1) Reasonable funeral expenses not to exceed $3,000.

(2) Fifty percent of the employee's AWW is payable to the surviving spouse living with or dependent on the deceased at the time of death. Upon remarriage, 2 years compensation will be paid in one lump sum.

(3) For each child (as defined by the LHWCA) 16 2/3 percent of the employee's AWW. If the surviving spouse dies or remarries, 50 percent of the AWW will be paid to one child, and 66 2/3 percent of the AWW will be paid to two or more children.

(4) Benefits are also payable to other persons who satisfy the term "dependent" as defined in the LHWCA.

d. Total Payments. Total compensation payable in all cases will not exceed 66 2/3 percent of the employee's AWW. Payments are made bi-weekly.

1307. Willful False Statements. Any claimant or claimant's representative who knowingly and willfully makes a false statement to obtain benefits under the NAFIA is guilty of a felony and may be fined or imprisoned or both. Any person who knowingly and willfully makes a false statement for the purpose of reducing, denying or terminating benefits to an injured employee may be fined or imprisoned or both. In addition, employees found to have violated either of these requirements are subject to severe disciplinary action, including possible termination. The LHWCA provides guidance on penalties for misrepresentation.

1308. Fees to Representatives. All notices of representation must be approved by DOL. Secretary of Labor will not approve payment of a fee to a claimant's representative who has been disqualified from representing claimants under the LHWCA.

1309. Posting Notice of Coverage. Individual NAFIs will post a notice to employees (DOL LS-242, provided annually by NAVPERSCOM (PERS-653)) in a place where the employees can easily see it. This notice states that MWR NAF employees have workers' compensation coverage under the LHWCA.

1310. Obtaining Forms. All DOL LS forms required by the employer can be obtained from the TPA or downloaded from http://www.dol.gov/library/forms/index.asp.

1311. Workers' Compensation Claims Procedures. The head of the NAFI will ensure compliance with all workers' compensation requirements. Employing NAFI personnel offices shall monitor personnel actions and events involving employees with workers' compensation claims.

a. When an employee is injured or develops an occupational disease the following steps will be followed:

(1) The employee shall immediately notify their supervisor or the personnel office. Failure to make this notification promptly and before seeking medical treatment could adversely impact the employee's workers' compensation claim.

(2) Medical treatment will be arranged if needed. In the case of an emergency, treatment can be at a military medical facility. In other cases treatment will normally be by a civilian medical facility or civilian doctor. When an employee is injured and medical treatment is necessary, administrative leave may be granted for the initial first aid treatment on the date of the injury.

(3) If medical treatment is needed, a personnel office employee or other authorized person will complete part A of the DOL LS-1. Figure 13-1 provides instructions on completing the DOL LS-1. The employer must enter the name and address of the physician or medical facility authorized to provide medical service in block #2, type of treatment authorized in block #7, and the NAFI personnel office address in block #13. This form is only released once and it must have the name of the authorized physician or medical facility listed in block #2. Do not release this form if the employee does not know where treatment will be rendered. The completed part A of this form should be sent with the employee to the physician or medical facility except in emergency situations. In emergencies the first priority is to arrange for emergency medical care. The physician should complete part B and send the completed form as directed on part A to the NAFI personnel office where a copy will be made and the original form sent to the TPA. Authorization (using the DOL LS-1) can only be given once. Further medical authorization must be obtained from the TPA.

(4) Complete DOL LS-202 (Rev. Oct 1998), Employer's First Report of Injury or Occupational Illness. In cases of severe injury or death, the NAFI shall notify NAVPERSCOM (PERS-653) within 24 hours. The employer's first report of injury DOL LS-202 is required by Federal law and must be fully completed by the employing NAFI and must be filed within 10 days from (1) the date of any injury or death; (block #3 on the LS-202); or (2) the date MWR first had knowledge of an employment related injury, illness, occupational disease or infection (block #22 on the DOL LS-202). DOL LS-202 forms will be prepared and signed by the head of the NAFI or their designated representatives. A MWR NAF personnel specialist prior to signature will provide technical review. If DOL LS-202 is not filed within 10 days, from the time that the NAF had knowledge of an employment related injury, illness, occupational disease or infection, the MWR organization will be liable for fines/penalties imposed by the DOL, to a maximum amount of $10,000. The employer should

inform the TPA of any doubtful aspects of the claim when filing. Any questions regarding claims processing or workers' compensation benefits should be addressed to the TPA or to NAVPERSCOM (PERS-653).

(5) Complete DOL LS-210 (Rev. OCT 1998, Employer's Supplementary Report of Accident or Occupational Illness. This form must be completed to report any lost time in excess of 3 days. Block 15 must show a return-to-work date. This form must be completed each pay period when the employee continues to be disabled from performing their duties. Receipt of the DOL LS-210 by the TPA provides confirmation that benefits should or should not continue to be paid to the employee, depending on whether the form indicates that the employee has returned to work or not.

(6) Complete the Leave Option Form NAVPERS 5300/18. When an employee is disabled and unable to work, the employee may choose to be placed in a sick leave status rather than a non-pay worker's compensation status. There is not a workers' compensation code so this is posted as LWOP on the time and attendance records. The employee must sign the NAVPERS 5300/18 when the employee chooses to use sick leave due to a disability related to an on-the-job-injury. When the employee refuses or is unable to sign the NAVPERS 5300/18, then the employee is placed in a non-pay worker's compensation status.

(7) If the employee is going to be off work, advise the employee regular and recurring medical statements shall be submitted on a timely basis to the personnel office. Failure to provide this information may result in the loss of workers' compensation payments as well as disciplinary action. The personnel office will forward a copy of the medical statements to the TPA. The personnel office should send the employee a written request with a deadline to provide the necessary supporting documentation for any time that medical status statements are not provided in a timely manner. Even in long term disability situations the NAFI will require updates at least every 60-90 days. If the employee fails to comply, notify the TPA.

(8) If the employee receives medical documentation they are fully recovered within 1 year of the date of injury, the personnel office will process the paperwork necessary to return

the employee to work. NAFIs will also provide duty consistent with medical restrictions if available.

(9) If the employee is unable to return to work after 1 year of receiving workers' compensation, a separation disability will be processed but the employee may continue to receive workers' compensation if appropriate.

b. Assist the TPA. The NAF personnel office of the employee will assist the TPA with claims servicing and coordination as needed. All items such as bills, reports, doctor or employee correspondence flow through the NAFI personnel office to the TPA.

1312. Forms Submission. All DOL LS forms, whether or not there is loss of time or medical expense involved with the claim shall be initially sent to the NAFI personnel office. The NAFI personnel office will maintain a copy of the form and promptly distribute the forms as follows:

a. Submit the original DOL LS 202 to the DOL when the employee loses one or more work shifts. In cases where the injury has not caused the loss of one work shift, the form must be maintained at the local activity in the event that the employee loses additional time in the future due to the same injury.

b. Submit a copy of the DOL LS 202 to the TPA. Submit the original of all other DOL LS forms to the TPA.

1313. Leave Status of Employees for Workers' Compensation Benefits

a. Sick Leave. An employee covered by workers' compensation (5 U.S.C. 8171) may be granted sick leave from the employee's accumulated sick leave balance in lieu of the workers' compensation benefit if the employee has made the election and signed the NAVPERS 5300/18. If the employee signs the NAVPERS 5300/18 for the use of sick leave, the workers' compensation benefit payments from the TPA shall be forwarded to the finance office for reinstatement of leave when the benefit payment is received from the workers' compensation program. Worker's compensation payments will not be supplemented by paid leave. If the employee does not elect to use only paid leave,

the maximum pay will be the worker's compensation of 66 2/3 percent of AWW.

b. Non-pay Workers' Compensation Status. LWOP may be granted a regular employee who is covered by workers' compensation (5 U.S.C. 8171). If a regular employee does not sign a NAVPERS 5300/18 they may remain in a non-pay worker's compensation status for up to 1 year while receiving workers' compensation benefits.

1314. Use of Military Medical Facilities. Use of military medical facilities by NAF employees is normally limited to initial or emergency treatment only. In overseas areas or in remote areas of the U.S. where there are no adequate civilian medical facilities for NAF employees, follow-up treatments or hospitalization in military facilities may be authorized. The employee may be required to directly pay for military medical treatment. The receipts will then be sent to the TPA through the servicing NAFI personnel office for reimbursement.

1315. Long-Term Inability to Perform the Duties of the Position.

a. When an employee is injured on the job and a workers' compensation claim is accepted as valid, the NAFI shall keep the employee on the rolls in a workers' compensation status for 1 year from the date of the injury. The exceptions to this are

(1) employee's serving on a time-limited appointment may be terminated due to separation of appointment but these individuals may continue to receive worker's compensation payments as appropriate.

(2) employee's with a medical prognosis that recovery will not occur within the year may be separated due to disability but they may continue to receive workers' compensation payments as appropriate.

b. At the end of 1 year, the activity may separate the employee due to disability but the employee will continue to receive workers' compensation payments as appropriate.

HOW TO FILL OUT DOL LS-1, REQUEST FOR EXAMINATION/TREATMENT

Prepare DOL LS-1 per instructions on the form and the following: Each number corresponds to the box on the form.

(1) Check box "C" only.

(2) Enter the name and address of the doctor treating the employee.

(3) Complete.

(4) Complete.

(5) Complete.

(6) Completely describe how "the employees say" the accident happened; i.e., tell what the employees say they were doing at the time of the accident, what happened, and how it happened. Name any objects or substances involved and tell how they were involved.

(7) Complete.

(8) To be completed by the person authorized to sign for the employer and the title of that person.

(9) Enter the full name and mailing address of the employing activity. Include the activity number after the name.

(10) Enter the telephone number of the employing activity.

(11) Enter the date the Form LS-1 was signed.

(12) Use the address for the DOL district office for your activity.

(13) Enter the name and address of the servicing NAFI personnel office.

Provide the original Form LS-1 to the employee to present to the treating physician or facility. When the LS-1 is returned, mail a copy to the current TPA and a copy to NAVPERSCOM (PERS-653).

Figure 13-1

HOW TO FILL OUT DOL LS-202, EMPLOYER'S FIRST REPORT OF INJURY OR OCCUPATIONAL ILLNESS

Prepare DOL LS-202 per instructions on the form and the following: Each number corresponds to the box on the form.

(1) Leave blank. (For DOL use.)

(2) Leave blank. (For DOL use.)

(3) Complete with the date and time the employee states the accident took place.

(4) Enter the injured employee's name as indicated and telephone number. If no home telephone number is available, then provide the employee's work number.

(5) Complete.

(6) Check box "C" only.

(7) Leave blank.

(8) Check the proper box to show the sex of the injured employee.

(9) Enter the date of birth of the injured employee, using month/day/year.

(10) Complete. Failure to submit the SSN will not result in the loss of any right or benefit. It may however, slow processing by making it harder to relate pieces of documentation.

(11) Complete.

(12) No, if employee returns to work same day or next day. Yes, if the employee does not return to work next day.

(13) Enter the first lost time date after the date of injury.

(14) Complete.

Figure 13-2

HOW TO FILL OUT DOL LS-202, EMPLOYER'S FIRST REPORT OF INJURY OR OCCUPATIONAL ILLNESS (CONT'D)

(15) If box 12 is checked "No" leave this box blank. If checked "Yes" enter the date (mo/day/yr) and time the employee first reported to work after the date of the injury. If the employee has not returned to work by the time this report is prepared and sent, leave the box blank. If the employee returns to work after this report has been sent, report the return-to-work date on a Form LS-210.

(16) and (17) Complete.

(18) Enter the name of the employing NAFI and in parenthesis give the employee's work area e.g., kitchen, bowling alley, office, sales floor.

(19) Complete.

(20) Enter the date (month/day/year) and time the injured employee's pay stopped. If it did not stop, write by the entry, "Did not stop". If the employee chooses option I on NAVPERS 5300/18 and elects to receive advanced payment of temporary disability benefit via sick leave, then pay is not considered to have stopped.

(21) Complete.

(22) Enter the date the employer was first informed the illness or injury was work-related. This does not necessarily have to match the date in box 3. Sometimes employers are aware of employee's illnesses or injuries, but were not informed that the injury was work-related.

(23) Fill in subsection a, b, c, and d, as applicable.

a. Enter the hourly rate at which compensated.

b. Enter daily salary.

c. Enter weekly salary.

Figure 13-2

HOW TO FILL OUT DOL LS-202, EMPLOYER'S FIRST REPORT OF INJURY OR OCCUPATIONAL ILLNESS (CONT'D)

d. Enter yearly salary.

(24) Tell where the injury happened, give the complete description of the location, e.g. The Clubs as Quantico, 3017 Russell Road, Quantico, Virginia, 22134.

(25) Tell how the employer or supervisor became aware of the work-related injury, e.g. employee's verbal report, employee's written notice, or by employee's agent.

(26) Completely describe how "the employees say" the accident happened, e.g. tell what the employees say they were doing at the time of the accident, what happened, and how it happened. Name any objects or substances involved and tell how they were involved.

(27) Enter the type of injury, naming the part of the body affected, e.g., a fractured left leg, cut right thumb, or bruised left hand. If a part of the body was lost, describe fully.

(28) Complete.

(29) Enter the date (month/day/year) that the employer authorized medical care. Use only the date when the Form LS-1 was completed and provided to the employee.

(30) Complete.

(31) By completing and forwarding this form to the TPA who has been contracted to process the workers' compensation claims, the answer should be "Yes".

(32) Enter the name and address of the doctor who treated the employee.

(33) Enter the name and address of the treating facility.

Figure 13-2

HOW TO FILL OUT DOL LS-202, EMPLOYER'S FIRST REPORT OF INJURY OR OCCUPATIONAL ILLNESS (CONT'D)

(34) Enter the address of the current TPA that has been contracted to process the workers' compensation claims.

(35) Enter the name and full correct mailing address of the employing NAFI. Include the activity number after the name.

(36) Enter "Nonappropriated Funds" to describe type of employer's business.

(37) To be signed by the person authorized to sign for the employer.

(38) Enter the official title of the person who signed in box 37 and phone number.

(39) Enter the date the report was signed.

ADDITIONAL INFORMATION. The following information should be placed on all LS-202's to expedite the processing of the claim. Please enter the employee's date of hire on the line above Box 1. Please enter a point of contact name and telephone number, if different than the supervisor, on the line above Box 2. If the employer doubts the validity of the claim, then a written statement may be attached to the LS-202. If the employee had more than 3 days of lost time then a copy must be sent to the appropriate DOL district office for your NAFI.

Figure 13-2

HOW TO FILL OUT DOL LS-210, EMPLOYER'S SUPPLEMENTARY REPORT OF ACCIDENT OR OCCUPATIONAL ILLNESS

Prepare DOL LS-210 per instructions on the form and the following: Each number corresponds to the box on the form.

(1) Leave blank.

(2) Leave blank.

(3) Complete.

(4) Complete.

(5) Complete.

(6) Enter the name and address for the current TPA that has been contracted to process the workers' compensation claims.

(7) a., b., and c. Enter the original time period that the employee lost time because of the work-related injury. If the original time period extends beyond the pay period, then the date in 7.b. will reflect the last day of the pay period, and 7.c. will say "has not returned."

(8) For each following pay period of lost time an additional Form LS-210 must be filed each pay period until the employee returns to work. You may copy the original DOL LS-210 and add each following pay period in the lines under 8.a. and 8.b, and 8.c. It will say "has not returned" until the employee's return to work date is entered.

(9) When "Yes" list names and addresses of treating physicians and hospitals. When "No" explain why employee did not receive medical treatment.

(10) Complete.

(11) Complete.

(12) Complete with full name of employer and include the activity number.

(13) Complete with full address of employer.

Figure 13-3

CHAPTER 14
NAF/GS EMPLOYEE INTERCHANGE AGREEMENT

1401. Policy. Consistent with 5 U.S.C. 2105(c)(1)(D), OPM and DOD entered into an agreement entitled "Agreement for the Movement of Personnel Between Civil Service System and the NAF System in DOD." The agreement permits Federal agencies to noncompetitively appoint NAF employees to career or career conditional civil service appointments subject to the conditions stated in the Agreement. The full text of this agreement is in DOD 1400.25-M SC 1403, figure 1.

1402. Purpose. These policies are designed to provide a civil service appointment eligibility to DOD NAF employees. The Agreement allows for an easy interchange of employees between NAF and APF positions in most Federal agencies.

1403. The Interchange Agreement. The full text of the Interchange Agreement is in DOD 1400.25-M, SC 1403 and at figure 14-1.

a. Section 1

(1) To be eligible for movement under this agreement, employees must be currently serving under a NAF appointment or have been involuntarily separated (BBA) without personal cause within the preceding year (the 1-year time frame commences on the actual date of separation). NAF employees must be, or have been, serving in continuing NAF positions (regular or flexible) under appointments without time limits.

b. Section 2

(1) NAFI employees considered under this agreement are to be treated in the same manner as if they were already Federal employees in the competitive service transferring from one agency to another, i.e., they are to be considered qualified and appointed as if they are current Federal employees.

(2) The key point of the agreement is that NAF employees need only meet the same qualification requirements as if they were already civil service employees. This is important in that this means that in-service placement qualification standards may be used in qualifying NAF employees coming into the Federal Civil Service under this agreement. This type of qualification standard, when available, is usually less rigid than those

qualification standards applied to applicants applying for initial entrance into the Federal Civil Service.

(3) APF HROs should normally include NAF employees eligible under the Interchange Agreement in the minimum area of consideration for vacancy announcements.

c. Section 4

(1) Transfer means the employment as a career or career-conditional employee (with or without promotion) without a break in service of 1 full workday. Per OPM regulations, transfer actions are normally processed by the losing agency as a termination and in the gaining activity as a transfer.

(2) A NAF employee can move from their position to any Federal position in the competitive service on a noncompetitive basis. The word "noncompetitive" has different meanings in different situations. When referring to current on board, civil service employees moving within the competitive civil service system, "noncompetitive" means that they do not have to compete with each other. When referring to individuals not currently in the Federal Civil Service entering the civil service system, the word "noncompetitive" means they do not have to compete with other candidates in a civil service examination. A noncompetitive appointing authority (the Interchange Agreement, for example) is a way for agencies to bring employees into the competitive service without using an examination. Individuals applying for appointment into the competitive system under a special or noncompetitive authority like this agreement do not have to compete with on board employees applying to move within the system unless an agency's own staffing policy requires it. In other words, a person can be selected under this agreement for any job if qualifications and other basic conditions are met, e.g., citizenship, minimum age, etc., no matter how the pay and grade of the job compared to the NAF job. Once hired into the civil service system, however, personnel will have to compete with other civil service employees for jobs at higher grades, even if the employee had NAF service equivalent to those grades.

d. Section 5

(1) Upon initial entrance into the Federal Competitive Service, an employee is given a status quo appointment. This is then changed to a career-conditional appointment or a career appointment depending upon the continuous years of NAF service.

(2) In crediting NAF time for career-conditional or career appointment, only that continuous NAF time immediately prior to appointment to the Federal Civil Service may be counted. To be eligible for a career appointment, a NAF employee must have 3 years of continuous NAF service immediately prior to the appointment. The following time limits also pertain:

(a) In the Federal service, an employee must not have more than a 30-calendar day break between periods of employment for all such service to be considered continuous. This is called substantially continuous service.

(b) The DOD Portability Program applies to DOD civilian employees who move between NAF and civil service within DOD without a break in service of more than 3 calendar days.

(c) Under the terms of the Interchange Agreement, a NAF employee must move to the Federal Civil Service without a break of 1 workday.

(d) To be eligible under the Interchange Agreement, the basic 1-year of continuous service requirement cannot include any break in service. The 1 year following a RIF or BBA is not a break, but such time cannot count toward the 1 year of service requirement.

(e) NAF employees may be appointed under this Agreement and receive credit for their NAF service toward career tenure. NAF service may be credited for other purposes only if the employees move within the DOD without a break in service of 3 days. Otherwise, NAF pay may not be used as an employee's HPR, leave accrued during NAF service may not be transferred, and NAF service may not be credited toward leave accrual, retirement or service computation date for RIF.

e. Section 6

(1) RFT and RPT NAF employees are required to serve a 1 year probationary period prior to meeting basic eligibility under this agreement, i.e., such employees must complete their probationary period before they are considered eligible to be appointed under the Interchange Agreement. Flexible employees must complete or work a number of days equivalent to a year of work to be eligible under the Interchange Agreement.

f. Section 8. The Interchange Agreement, originally approved on 21 September 1991 for a 3-year period has been extended indefinitely per DOD 1400.25-M, SC 1403. The agreement may be terminated 30 days following notice from the DOD or OPM, and may be modified at any time with the mutual consent of the DOD and OPM.

g. NAF employees, who move under the terms of the Interchange Agreement to a non-DOD agency, are not eligible for benefits under the Portability Legislation. This means that sick and annual leave will not be transferred. This also means that none of the NAF time will count for within grade increase, time for RIF purposes, and all other benefits available under the Portability of Benefits laws. Portability of benefits only applies to movement within DOD and it is covered in appendix F of this instruction.

INITIAL INTERCHANGE AGREEMENT

Dec 13, 1996

OFFICE OF PERSONNEL, MANAGEMENT
WASHINGTON, D.C. 20415

Mr. Thomas F. Garnett, Jr.
Director, Workforce Relations
(Civilian Personnel Policy/
Equal Opportunity)
Office of the Assistant Secretary
(Personnel and Readiness)
Department of Defense
Washington, DC 20301-4000

Dear Mr. Garnett:

We have approved your request for indefinite extension of the interchange agreement permitting movement of employees between the nonappropriated fund instrumentalities (NAFI) of the Department of Defense (DOD) and the competitive civil service. The agreement was established September 21, 1991, for a 3-year period.

The 3-year limit was intended to allow DOD time to develop new policies for non-disciplinary adverse actions and reduction in force for NAFI employees. We could not approve an interchange agreement without time limit while such a key part of the NAFI personnel system was changing. We have reviewed your revised policy directive and find that it will afford NAFI employees due process rights and safeguards against arbitrary actions comparable to those available in the competitive service. This letter is DOD's authority to continue to use the agreement, indefinitely. We will notify other agencies of this extension and of NAFI employees' continuing eligibility for noncompetitive appointments.

Sincerely,

Lorraine A. Green
Deputy Director

Figure 14-1

U.S. OFFICE OF PERSONNEL MANAGEMENT NOTICE AND POSTING SYSTEM

Notice No: Provisional 315-1 Washington, D.C., 20415

Date: August 15, 1994

Notice of OPM Policy Information
AGENCIES: THIS NOTICE PROVIDES ADVANCE POLICY INFORMATION RELATIVE TO PERSONNEL INTERCHANGE AGREEMENTS.

Heads of Departments and Independent Agencies

1. OPM has approved amendments to two agreements permitting movement of personnel between excepted service agencies and the competitive civil service.

2. Department of Defense Nonappropriated Fund (NAFI). The interchange agreement, originally approved on September 21, 1991, for a 3-year period, has been extended indefinitely. Please remember that eligible NAFI employees may be appointed in any agency receive credit for their NAFI service toward career tenure. However, NAFI service may be credited for other purposes only if the employees move within the department of Defense without a break in service longer than 3 days. Otherwise, NAFI pay may not be used as an employee's highest previous rate, leave accrued during NAFI service may not be transferred, and NAFI service may not be credited toward leave accrual, retirement or service computation date for reduction in force.

3. Nuclear Regulatory Commission (NRC). The interchange agreement has been amended to cover both current NRC employees and NRC employees who are appointed noncompetitively within 1 year following an involuntary separation without personal cause. Coverage of NRC's interchange agreement is now identical to that of all other interchange agreements.

4. Agencies may consider NRC and NAFI employees for noncompetitive appointments in accordance with the instructions provisionally retained in section 6-2 of FPM Chapter 315. This information will be included in an appropriate information issuance after that chapter is terminated on December 31, 1994.

Lorraine A. Green
Deputy Director

Figure 14-1

**U.S. OFFICE OF PERSONNEL MANAGEMENT
NOTICE AND POSTING SYSTEM (CONT'D)**

AGREEMENT FOR THE MOVEMENT OF PERSONNEL
BETWEEN THE CIVIL SERVICE SYSTEM AND
THE NONAPPROPRIATED FUND INSTRUMENTALITY (NAFI)
SYSTEM IN THE DEPARTMENT OF DEFENSE

In accordance with the authority provided in section 6.7 of the civil Service Rules, and pursuant to the following agreement with the Department of Defense, employees serving in Nonappropriated Fund Instrumentalities (NAFI) of the Department may be appointed to positions in the competitive civil service, and employees serving in position in the competitive civil service may be appointed to NAFI positions, subject to the following conditions:

1. Type of appointment held before movement. To be eligible for movement under this agreement, employees must be currently serving under a competitive career or career-conditional appointment or under a NAFI appointment or have been involuntarily separated form such appointment without personal cause within the preceding year. NAFI employees must be or have been serving in continuing NAFI positions under appointments without time limits.

2. Qualification requirements. NAFI employees must meet the qualification standards and requirements for the positions to which they are to be appointed in accordance with OPM established regulations for transfer of employees within the competitive service. Employees in the competitive service must meet the regular standards and requirements established by DOD for appointment to NAFI positions.

3. Length of service requirement. NAFI employees must have served continuously for at least 1 year in NAFI positions before they may be appointed to positions in the competitive civil service under the authority of this agreement. Employees in the competitive civil service must have completed the 1-year probationary period required in connection with their career or career-conditional appointments in the authority of this agreement.

Figure 14-1

**U.S. OFFICE OF PERSONNEL MANAGEMENT
NOTICE AND POSTING SYSTEM (CONT'D)**

4. Selection. NAFI employees may be considered for appointment to positions in the competitive civil service in the same manner that employees of the competitive service may be considered for transfer to such positions. Employees in the competitive service may be considered for appointment to any NAFI position on the basis of their qualifications.

5. Type of appointment granted after movement. NAFI employees who are appointed to competitive positions under the terms of this agreement will have career or career-conditional appointments, depending upon whether they meet the 3-year service requirement for career tenure. The service, which commences with a permanent NAFI appointment, will be accepted toward meeting the competitive service requirement. Employees of the competitive service who are appointed to NAFI positions under the terms of this agreement will receive appointments without time limit under DOD Directive No. 1401.1-M.

6. Probationary and trial period. Employees appointed under this agreement, who have previously completed a probationary or trial period, will not be required to serve a new probationary or trial period.

7. Status. NAFI employees who are appointed in the competitive civil service under the terms of this agreement will receive competitive civil service status. Thereafter, such employees will be entitled to the benefits and privileges provided by the civil service rules and by OPM's regulations and instructions for persons having competitive service status. Employees of the positions under the terms of this agreement will have whatever privileges are normally provided to persons who initially receive appointments, under DOD Directive No. 1401.1-M to continuing NAFI positions.

8. Effective date. This agreement becomes effective 30 days from the date on which it is signed by both parties and shall expire, unless renewed, 3 years thereafter. The agreement may be terminated prior to its expiration date 30 days following notice from the Department of Defense or OPM and may be modified

Figure 14-1

**U.S. OFFICE OF PERSONNEL MANAGEMENT
NOTICE AND POSTING SYSTEM (CONT'D)**

at any time with the mutual consent of the Department of Defense and OPM.

Richard B. Cheney
Secretary of Defense

Constance Berry Newman
Director
Office of Personnel Management

Figure 14-1

FPM LETTER 315-30 - 5 DEC 1991

1. OPM and DOD have established an agreement permitting movement between the competitive civil service and positions in nonappropriated fund instrumentalities (NAFI) in DOD.

2. The interchange agreement is effective September 20, 1991, and will remain in effect for three years unless it is renewed before the expiration date. The agreement covers movement both of current NAFI employees and of NAFI employees who are appointed noncompetitively within one year following an involuntary separation without personal cause. Agencies may consider NAFI employees for noncompetitive appointment to competitive positions in accordance with the instructions found in section 6-2 of FPM chapter 315. In determining employees' eligibility for noncompetitive appointment, all qualifying NAFI service is creditable, including that rendered before the effective date of this agreement.

3. The interchange agreement permits noncompetitive appointment of NAFI employees in any agency. However, they may receive full credit for their NAFI service for certain civil service purposes only when they move within DOD. The Portability of Benefits for Nonappropriated Fund Employees Act amended 5 U.S.C. 2105(c), which generally requires that NAFI employment be treated as nonfederal employment to permit personnel interchange. The Act also permits NAFI service to be considered when establishing pay and benefits in the competitive service, but only when the employees move within the DOD. Specific instructions on crediting NAFI service for pay, retirement, leave, and reduction in force will be published in the appropriate FPM chapters and/or in FPM Supplement 296-33.

Figure 14-2

Appendix A
Pay Administration for Crafts and Trades (C&T)

1. General Policy. The pay policies and procedures contained in OPM's Operating Manual for NAF Federal Wage System (FWS) and DOD 1400.25-M, SC 1405 AP 2 will be utilized for all C&T employees.

2. Definitions

a. Prevailing Rate Employee. This term is used interchangeably with the terms "NAF C&T" employees, NAF prevailing rate employees and NAF FWS employees (NA, NL, or NS).

b. Scheduled Rate of Pay. The rate of pay fixed by law or administrative action, including a retained rate of pay and rate on temporary promotion for the job held before any deductions and exclusive of additional pay of any kind.

c. Rate of Basic Pay. The scheduled rate of pay plus any night shift or environmental differential.

d. Existing scheduled Rate of Pay. The scheduled rate of pay received immediately before the effective date of a transfer, reassignment, promotion, change to lower grade, within grade increase, or revision of a wage schedule.

e. Highest Previous Rate (HPR). The highest scheduled rate of pay previously paid to a NA, NL, or NS employee while employed in a NAF position.

f. Representative Rate. A rate used to determine the nature of the job change (e.g., promotion, change to a lower grade, or reassignment) where different kinds of pay schedules are involved, whether in the same or different wage areas. In the 5 step NAF pay schedule, the representative rate or step is step 2. In a GS pay schedule, the representative rate or step is step 4.

g. Reassignment. A change of an employee, while serving continuously in the same NAFI, from one job to another without promotion, or change to lower grade.

h. Reemployment. Employment, including reinstatement or another type of appointment, after a break in service of at least 1 full workday.

i. New Appointment. The first appointment as an employee of the Federal government.

j. Premium Pay. Additional compensation for overtime, standby duty, work performed on a holiday or Sunday.

k. Tour of Duty. The hours of a day (a daily tour of duty) and the days of an administrative workweek (a weekly tour of duty) that are scheduled in advance and during which an employee is required to perform on a regularly recurring basis.

l. Sunday Work. Work performed during a regularly scheduled tour of duty within a basic 40-hour workweek when any part of that work which is not overtime work, is performed on Sunday.

m. Overtime Work. Authorized and approved hours of work performed in excess of 8 hours in a day or in excess of 40 hours in an administrative workweek, whichever is the greatest number of overtime hours

n. Regular Overtime Work. Authorized and approved overtime work that is scheduled prior to an employee's regularly scheduled administrative workweek.

o. Irregular or Occasional Overtime Work. Authorized and approved overtime work that is not scheduled as a part of the regularly scheduled administrative workweek.

p. Night shift Work. Regularly scheduled non-overtime work when a majority of whole hours of such work occur between 1500 and 2400 (second shift) or between 2300 and 0800 (third shift).

q. Holiday Work. Non-overtime work performed by an employee during a regularly scheduled daily tour of duty on an officially designated holiday.

r. Non-workday. A calendar day that the employee is not scheduled to work within the employee's basic workweek.

s. Retained Rate of Pay. The rate of pay to which an employee is entitled when involuntarily changed to a lower grade, reassigned, or otherwise changed to a C&T grade or pay level having a maximum scheduled rate of pay which is less than the employee's existing scheduled rate of pay.

3. Specific Policy

a. New Appointments. Except as provided in (1) and (2) below, a new appointment will be made at step one of the grade.

(1) The heads of a NAFI may appoint an employee at a rate above the minimum step of the appropriate grade in recognition of their special qualifications, for example, an applicant with skills and experience of an exceptional or highly specialized nature pertinent to their position. Each case of hiring above the minimum rate shall be documented fully in the employee's OPF.

(2) The heads of a NAFI may request authority to routinely make appointments at the second, third, fourth, or fifth step for hard-to-fill positions. Requests will be forwarded to DOD WSD, via NAVPERSCOM (PERS-653) using the format in appendix M of the OPM Operating Manual.

b. Position Change. When an employee is reemployed, transferred, reassigned, or changed to a lower C&T grade, the head of the local NAFI may pay that employee at any step of the new grade that does not exceed that employee's HPR. If the HPR falls between two steps of the grade, the head of the NAFI may pay at the higher of the two steps.

c. Promotion. When promoted to a C&T position, an employee is paid at the lowest step of the grade to which promoted that exceeds their existing rate of pay by at least 4 percent of the representative rate of the grade from which being promoted. The representative rate in a five-step schedule is step two. If there is no rate of pay in the grade to which promoted that meets this requirement, the employee shall be paid at the step that exceeds their current rate of pay not to exceed the maximum schedule rate of the grade to which promoted. This includes temporary promotions.

(1) Example of a promotion calculation. A NA-02 step 5 is promoted to an NS-01. The pay scales are:

NA-02	7.52	7.83	8.14	8.46	8.77
NS-01	7.69	8.01	8.33	8.65	8.97

The action is a promotion because the step 2 rate of the NS-01 is more than the step 2 rate of the NA-02. The employee gets a pay increase of 4 percent above the NA-02 step 2 rate or the HPR. The 4 percent above NA-02 step rate is 8.14. The HPR is 8.77, the employees current rate. The employee would go to step 5 of the NS-01 based upon their HPR.

(2) Temporary promotions may be made up to 6 months on a noncompetitive basis and up to 2 years on a competitive basis.

(3) When promoted, an employee may be granted the benefit of the HPR provisions if this would result in a higher rate of pay than would result from applying the above provisions of a normal promotion action.

(4) Details will be to the same or lower grade and the employee will not receive any change in pay.

d. Movements between Pay Systems. The following applies when an employee is being moved between C&T and pay band pay systems.

(1) Pay will be set per the requirement of the gaining system.

(a) Moving to a C&T Position from a Pay Band Position. When moving to a C&T position, the representative rate for a NF or CC position is the employee's current rate of pay. If the current rate of pay is more than step 2 of the employee's current C&T position it is processed as a demotion. If it is less then it is processed as a promotion. The representative rate for C&T positions is step 2 of the employee's grade.

(b) Moving to a Pay Band Position from a C&T Position. When an employee is moving to a NF or CC position, the mid-point of the pay band the employee is going to will be

considered the representative rate. If the mid-point of the pay band is more that step 2 of the C&T position occupied it will be a demotion. If it is less, then it is a promotion.

e. HPR

(1) The HPR for NAF employees is based on a regular tour of duty at that rate.

(2) The HPR may be based upon a rate of pay received during a period of temporary promotion so long as it is not used as a vehicle to circumvent the period required for within-grade pay increases.

(3) The HPR may not be based on a rate received for an appointment as an expert or consultant, or on a special pay rate established in recognition of hard-to-fill vacancies.

(4) When a NAF employee's rate of pay is one that was established as a special pay rate, their HPR is the rate to which they would have been entitled had the special rate not been applied.

(5) If the HPR was earned in a NA, NL, or NS position, the HPR is calculated based on the current grade and step rate of the old position using the wage schedule of the area in which the employee is being employed, or the actual earned rate, whichever is higher. If the HPR falls between two steps of the new grade, the head of the NAFI may consider the higher of the two rates as the HPR. See paragraph 7 below for an illustration of this computation, and application of the HPR rule.

f. Effective Date

(1) Normal. The effective date of a change in a pay rate is the first day of the first pay period on or after the date the action is approved by the head of the NAFI, unless a subsequent date is specifically stated.

(2) Retroactive. A NAF employee who is qualified for their official job and performs its duties, but who through administrative error is not paid the appropriate rate for their grade, will have the rate corrected retroactively. This

corrective payment is not to be regarded as a retroactive promotion.

(3) Revised Wage Schedules. The effective date of a revised wage schedule is the date specified on the schedule by DOD WSD.

4. General Pay Fixing Guides. Unless specifically stated in this manual or OPM's Operating Manual for NAF FWS, subchapter S8, only scheduled rates of pay are considered in making pay adjustments.

a. Pay Computation Rule. For pay computation purposes, rates are computed to the nearest cent, counting one-half of a cent and over as a whole cent. Whenever it is necessary to convert a basic annual rate to an hourly rate for comparison purposes, the hourly rate will be derived by dividing the annual rate by 2087.

b. Simultaneous Pay Change

(1) If an employee becomes entitled to two pay changes at the same time, the changes will be processed in a manner that gives the employee the maximum benefit.

(2) If an employee becomes entitled to an increase in pay and to a personnel or appointment change at the same time, the increased rate of pay is deemed to be the employee's existing scheduled rate of pay when the personnel or appointment change is processed.

c. Cost-of-living Allowance as Base Pay in Non-foreign Overseas Area. When an employee in a non-foreign overseas area paid under the pay band system (NF schedule) is changed to a NA, NL, or NS position, non-foreign area differential, or cost-of-living allowances received in the NF job, are added to the scheduled rate of pay for the purpose of establishing a rate of pay for the new job. The non-foreign area differential, or cost of living allowance, is not added to the representative rate when determining the nature of the action.

d. Pay While on Leave. Employees are paid at their basic rates (including night shift differential) except as provided in 5 U.S.C., sections 6121-6130. This provision is applicable even

though the basic workweek may include workdays with hours exceeding 8 per day for which overtime rates are paid.

e. When an employee is on the rolls on the effective date of a wage schedule increase but separates before the pay increase is processed the employee is entitled to receive pay increase.

f. When an employee separates after a wage survey is ordered, but before the issue date of the wage schedule, and their annual leave extends beyond the effective date of the increase, the employee is entitled to receive their lump-sum annual leave payment at the higher rate for the period extending beyond the effective date. This provision applies when the issue date of the wage schedule is prior to the effective date set by 5 U.S.C. 5344(a).

5. Premium Pay

a. Overtime Pay

(1) 5 U.S.C. vs. FLSA. Employees will be paid overtime pay for work in excess of 8 hours in a day, or in excess of 40 hours in an administrative workweek, whichever is the greater number of overtime hours that are officially ordered or approved and performed by the employee.

(a) The OPM Operating Manual for NAF FWS, subchapter S-8, only speaks to the overtime provisions of 5 U.S.C. Therefore, since the examples of overtime pay included in paragraph 11 below do not apply to any FLSA overtime entitlement.

(b) Nonexempt employees covered by the FLSA are entitled to overtime pay under whichever legal authority (5 U.S.C. vs. FLSA) that provides the greater benefit.

(2) Over 8 Hours in a Day. When an employee works more than 8 hours in a day, including Sunday or a holiday, time in excess of the 8 hours is paid at the overtime rate even though it is part of a scheduled 40-hour week.

(3) Overtime Rate. Except as otherwise specifically authorized, heads of NAFIs will pay C&T employees for overtime

work performed at the rate of one and one-half times their rate of basic pay.

(4) Leave With Pay. Hours during which an employee is absent from duty on paid leave, during time when the employee otherwise would have been required to be on duty, will be considered hours of work under 5 U.S.C., 6130 in determining whether the employee is entitled to overtime pay for work performed in excess of 8 hours a day or 40 hours in a week.

(5) Hours during which an employee is absent from duty on approved LWOP, during a time when the employee would otherwise have been required to be on duty, will not be considered hours of work in determining whether the employee is entitled to overtime pay for work performed in excess of 8 hours in a day or 40 hours in a week.

(6) Minimum (Callback) Overtime Pay. Irregular or occasional overtime work performed by an employee on a day when work was not scheduled for the employee, or for which the employee is required to return to their place of employment, is considered at least 2 hours in duration for the purpose of overtime pay, whether or not work is performed.

(7) Compensatory Time. C&T employees are not authorized to receive compensatory time off except for religious purposes.

b. Night Shift Differential. Employees are entitled to pay at their scheduled rate plus a differential of 7 1/2 percent of their scheduled rate for regularly scheduled non-overtime work when a majority of the work hours occur between 1500 and 2400; or 10 percent of the scheduled rate when the majority of work hours occur between 2300 and 0800. The night shift differential is paid for the entire shift when the majority of hours fall within the specified periods. Majority of hours means a number of whole hours greater than one-half (including meal breaks).

(1) Included as Base Pay. Night shift differential is included in basic pay for employees and used as a basis for computing overtime pay, Sunday pay, and holiday pay, and, where applicable, amounts of deductions for retirement and group life insurance.

(2) Pay While on Leave. An employee, regularly assigned to and receiving night shift differential, is entitled to the night shift differential for periods of excused absence on a holiday or while in official travel status during the hours of their regular night shift.

c. Pay for Holidays. All FTR and any other regularly scheduled (including regularly scheduled flexible) C&T employees are entitled to holiday pay/holiday premium pay under the following conditions:

(1) All RFT employees are entitled to a holiday or an in lieu of holiday if the holiday falls on an unscheduled work day.

(2) All other regularly scheduled employees

(a) who are excused from work because of the occurrence of a holiday on that employee's regularly scheduled workday are entitled to holiday pay for scheduled non-overtime hours.

(b) who are eligible for holiday pay and are required to work on that employee's regularly scheduled tour of duty and regularly scheduled workday are entitled to both holiday pay and holiday premium pay for the regularly scheduled non-overtime hours.

(3) To be eligible for holiday pay an employee must be in a pay status the work shift immediately before or immediately after the holiday.

(4) Overtime Pay for Holiday Work. An employee will be paid for overtime work performed on a holiday at the same rate as for overtime on other workdays.

(5) Minimum (Callback) Holiday Pay. An employee required to report for work on a holiday will be paid at least 2 hours of holiday pay whether or not work is actually performed.

d. Sunday Premium Pay

(1) C&T employees who have a regular work schedule of 40 hours that includes an 8-hour period of work, a part of which

are on Sunday to be entitled to Sunday premium pay at the rate of 25 percent of their hourly rate of basic pay for each hour of work performed during that 8-hour period of work. An employee who works more than 8 hours in a single tour of duty on a Sunday does not receive the Sunday premium for hours in excess of 8 hours

(2) Premium pay for Sunday work is in addition to premium pay for holiday work, overtime pay, and night shift differential, and is not included in the rate of basic pay used to compute the pay for holiday, overtime and night work.

(3) An employee who has two separate tours of duty on Sunday, (e.g., one tour that begins on Saturday and ends on Sunday and another tour that begins on Sunday and ends on Monday) is entitled to premium pay for Sunday work not to exceed 8 hours for each tour of duty.

(4) An employee who does not work during their Sunday tour of duty because they are on paid leave or excused absence because they are using compensatory time off or credit hours, or because Sunday is a holiday are not entitled to Sunday premium pay.

6. Within-Grade Increase (WGI)

a. Waiting Periods

(1) An employee's work performance is considered satisfactory or higher unless the supervisor has issued a letter of caution. Employees will be given step increases on the first day of the pay period after completion of the required waiting period. For employees on prearranged regular schedules, the waiting periods for advancement to the second, third, fourth, and fifth steps in all grades are

(a) Step 2: 26 calendar weeks of creditable service in step 1.

(b) Step 3: 78 calendar weeks of creditable service in step 2.

(c) Steps 4 and 5: 104 weeks of creditable service in each of steps 3 and 4.

(2) For employees without prearranged regular schedules, the waiting periods for advancement to the second, third, fourth, and fifth steps in all grades are

(a) step 2: 130 days of creditable service in a pay status in step 1 over a period of no less than 26 calendar weeks.

(b) step 3: 390 days of creditable service in a pay status in step 2 over a period of no less than 78 calendar weeks.

(c) step 4: 520 days of creditable service in a pay status in step 3 over a period of no less than 104 calendar weeks.

(d) step 5: 520 days of creditable service in a pay status in step 4 over a period of no less than 104 calendar weeks.

Note. Any day on which part-time service is performed constitutes a full day.

b. Creditable Service

(1) Continuous civilian employment in any NAFI is creditable service in the computation of a waiting period. Service credit is given

(a) during periods of annual, sick, and other leave with pay (e.g., advanced annual and sick leave), and service under a temporary appointment.

(b) when the waiting period is not interrupted by non-workdays intervening between an employee's last regularly scheduled workday in one job and their first regularly scheduled workday in a new job.

(2) Time in a non-pay status is counted as creditable time for employees with prearranged regular schedules when it does not exceed, in the aggregate, 1 workweek in the waiting period for step 2, 3 workweeks in the waiting period for step 3, and 4 workweeks in the waiting period for steps 4 and 5.

(3) Creditable military service is counted in the computation of a waiting period when

(a) an employee is on leave of absence to perform such service and returns to pay status through the exercise of a restoration right provided by law, executive order, or regulation.

(b) a former employee is re-employed in a NAFI no later than 52 calendar weeks after separation from military service, or if hospitalized after military service within 1 year after release from the hospital.

(4) Service that is not creditable in the computation of a waiting period includes

(a) service outside of the regularly scheduled 40-hour workweek that is paid at overtime rates.

(b) service before a single non-pay period or a break in service when the non-pay period or break in service exceeds 52 calendar weeks, and any part of a non-pay period of more than 52 calendar weeks.

(c) the period between the date an employee leaves their civilian job to enter the armed forces, and the date of their reemployment in a position when their reemployment is not within 52 continuous calendar weeks from the date of their discharge from the armed forces, except in instances of restoration provided by law.

7. HPR Calculation. The following is an illustration of a HPR calculation. Although the example uses NA grades, the same principle also applies to NL, and NS grades.

a. An employee in New York, NA-8 Step 1, was re-employed in Washington, D.C., at the NA-7 grade level. Pertinent wage schedule rates are as follows:

		STEP RATES				
		1	2	3	4	5
New York	NA-8	$7.78*	$8.13	$8.45	$8.78	$9.09
Wash. DC	NA-8	7.55**	7.87	8.18	8.49	8.81
Wash. DC	NA-7	7.06	7.36	7.653	7.94	8.23

* Previously earned rate
**Current rates in the wage area where the employee is being employed.

b. Steps to be Followed

(1) Compare the employee's previous grade and step rate ($7.78) in New York with the same grade and step rate in Washington, DC ($7.55). The previous earned rate is higher; therefore, it is established as the employee's HPR.

(2) The employing NAFI may pay this employee at any step of the grade NA-7 (the grade at which re-employed) that does not exceed the fourth step (since the employee's HPR ($7.78) falls between steps 3 and 4 of grade NA-7.

(3) In no case will an employee be paid more than the top step of the grade in which re-employed, irrespective of the employee's HPR.

(4) Since an employee has no vested right on re-employment to receive the HPR of pay, the head of the NAFI should adopt a policy of using the HPR rule, or require that an employee on re-employment start at the first step rate of the grade.

8. Night Shift Differential Calculations. Majority of hours, as used in subparagraph S8-4c, subchapter S8, of OPM's Operating Manual for FWS NAF, means majority of whole hours. Hours are considered to be periods of 60 minutes.

a. Regular Shifts. Regularly scheduled C&T employees are entitled to night shift differential when the majority of their whole hours are worked during a period in which a night shift differential is payable.

(1) Example 1. An employee is regularly scheduled to work a period commencing at 1400 and ending at 2000. Since the majority of whole hours were worked during a period for which the night shift differential of 7 1/2 percent is payable, the employee is entitled to that differential for the entire shift.

(2) Example 2. An employee is regularly scheduled to work a period commencing at 1300 and ending at 1730. The employee performed 2 hours of work before the night shift period, and 22 hours during the night shift period. The employee is not entitled to the shift differential. To qualify for the differential, the employee must perform 3 whole hours of work during the night shift period.

b. Split Shifts. When an employee's tour of duty overlaps more than one established shift, or includes a break of more than 1 hour within a scheduled basic workday, pay will be calculated as follows:

(1) Example 1. An employee works an 8-hour shift from 2000 to 0400 with a 20 minute paid meal period. The employee worked 3 hours in the second shift and 5 hours in the third shift. The employee is entitled to a 10 percent differential for all 8 hours since a majority of whole hours fall within a period for which the 10 percent night shift differential is payable.

(2) Example 2. An employee who works 4 hours during the second shift and 4 hours in the third shift will be paid a 7 1/2 percent differential for the entire shift since a majority of hours were not worked during the third shift.

(3) Example 3. An employee who is authorized to work 3 hours during the third shift, 3 hours during the first shift, and 2 hours during the second shift (e.g., 0500 to 1100 and 1500 to 1700), is entitled to a 7 1/2 percent night shift differential for all 8 hours since a majority of their regularly scheduled hours of work fall within a period during which a night shift differential is payable. The 10 percent differential is not paid since a majority of their regularly scheduled 8-hour shift does not specifically fall within the period of 2300 to 0800.

(4) Example 4. An employee performs work from 1000 to 1200 and during the same day performs work between 1600 and

2000. Hours worked each day total 6 hours with the employee performing 4 hours of work during the established night shift period. This employee is entitled to the 7 1/2 percent night differential for all hours of work performed (e.g., 6 hours).

(5) Example 5. An employee works an 8-hour shift from 1130 to 2000. The meal break is set from 1530 to 1600 (e.g., included in the 5-hour period from 1500 to 2000) resulting in majority of whole hours in the second shift that entitles the employee to a 7 1/2 percent shift differential.

(6) Example 6. If the employee's shift is from 1100 to 1930 with a meal break from 1500 to 1530, no shift differential is paid since the majority of whole hours were not between 1500 and 2400 (e.g., the employee is only credited with 4 1/2 hours during the second shift).

(7) Example 7. An employee who works from 1900 to 0330 with a meal break from 2300 to 2330 is paid a 7 1/2 percent differential for all 8 hours. The 10 percent differential is not paid because, even when the meal period is counted, a majority of the employee's regularly scheduled 8-hour shift does not specifically fall within the period of 2300 to 0800.

9. Holiday Premium Pay Calculations. The following examples illustrate pay entitlement authorized by subparagraph S8-4d (2), subchapter S8 of OPM's Operating Manual for NAF FWS.

a. Example 1. An employee's regularly scheduled workweek is 0800 to 1630 Monday through Friday. Monday is a holiday and the employee is required to work 8 hours on that day. Holiday premium pay is computed as follows

Compensable Hours

Regularly Scheduled Workweek	M*	T	W	T	F	S	Total
Basic rate (scheduled Rate only)	8	8	8	8	8		40
Premium Pay - equal to Employee's basic rate	8						8

*Holiday

The employee is paid for all regularly scheduled work hours at their basic rate. Holiday premium pay at a rate equal to their basic rate is paid for the number of non-overtime hours worked on the holiday.

b. Example 2. A regular, full-time employees' workweek is 2300 to 0730 Tuesday through Saturday. Monday was a designated holiday, and the employee was required to work that day. For the purposes of this example, Tuesday was the employee's "in lieu" holiday. The employee also worked 8 hours on Tuesday. Premium pay is computed as 8 holiday hours worked and 8 overtime hours worked. The appropriate shift differential is also applied.

Compensable Hours

Regularly Scheduled Workweek	M*	T	W	T	F	S	Total
Basic Rate (scheduled rate Plus 10% differential)	8	8	8	8	8		40
Holiday Premium Pay (scheduled rate plus 10% shift differential)	8						8
Overtime (1 1/2 times the basic rate (scheduled rate plus 10% night differential)		8**					

*Holiday

** Since the employee's regularly scheduled workweek consists of 40 hours, Tuesday through Saturday, Monday becomes the overtime period because it is outside the employee's basic workweek.

c. Example 3. An employee's regularly scheduled workweek is 0900 to 1730 Monday through Friday. Monday is a holiday, but the employee is required to perform 10 hours of work. Premium pay is computed as 8 hours holiday worked and 2 hours of overtime worked.

Compensable Hours

Regularly Scheduled Workweek	M*	T	W	T	F	S	Total
Basic rate (scheduled Rate only)	8	8	8	8	8		40
Holiday Premium Pay (Equal to Basic rate)	8						8
Overtime (1-1/2 times Basic rate)	2						2

*Holiday

d. Example 4. A part-time or regularly scheduled flexible employee, who is entitled to observe a holiday, has a regularly scheduled workweek which is 0900 to 1600 (no meal period during which employee is entirely free from work requirements), Monday, Wednesday, and Friday. Monday is a holiday, and the employee is required to perform 3 hours of work on that day. Holiday premium pay is computed as 3 hours worked.

Compensable Hours

Organization Workdays	M*	T	W	T	F	S	Total
Scheduled hours	7		7		7		21
Basic rate (scheduled Rate only)	7		7		7		21
Holiday Premium Pay (equal to basic rate)	3**						3

* Holiday

** If the employee had performed 10 hours of work on the holiday, 2 of those hours would be treated as overtime.

10. Sunday Premium Pay Calculation. Only a full-time employee with a basic workweek of 40 hours is entitled to Sunday premium pay. Therefore, not all full-time employees will be entitled to Sunday premium pay, even if they have an 8-hour workday scheduled on Sunday.

a. Example 1. An employee with a 40-hour basic workweek, whose work schedule for the week includes a workday which begins at 1800 on Saturday and ends at 0230 Sunday, is entitled to Sunday premium pay for that workday, computed as follows:

8 hours - basic rate (scheduled rate plus 7 1/2 percent night shift differential)

8 hours - Sunday premium pay at a rate equal to 25 percent of the basic rate.

b. Example 2. An employee with a 40-hour basic workweek works a regularly scheduled night shift from 1700 to 0130 (with 1/2 hour meal break); 1 shift begins at 1700 on Saturday and

ends 0130 on Sunday, and the next begins 1700 on Sunday and ends 0130 on Monday. The employee is entitled to Sunday premium pay for both tours (total 16 hours) computed as follows:

16 hours - basic rate (scheduled rate plus 7 1/2 percent night shift differential)

16 hours - Sunday premium pay at a rate equal to 25 percent of the basic rate.

11. Overtime Pay Calculations. Entitlement to overtime pay is authorized per provisions of 5 U.S.C., 6121 - 6130, and as described in subparagraph S8-4, subchapter S8, of OPM's Operating Manual for NAF FWS, and amplified in this appendix. Consideration also must be given to the overtime provisions of the FLSA for nonexempt employees. Such employees are entitled to overtime pay under whichever legal authority provides the greater benefit.

a. Work Exceeding 8 Hours in a Day. The following examples are intended to illustrate the pay entitlement authorized by subparagraph S8-4b (3), subchapter 8, OPM's Operating Manual for NAF FWS.

(1) Example 1. An employee works from 0800 to 1830 Monday through Friday.

Compensable Hours

	S	M	T	W	T	F	S	Total
Scheduled Hours		10	10	10	10	10		50
Basic Rate (scheduled rate)		8	8	8	8	8		40
Overtime rate (one and one-half times the basic rate)		2	2	2	2	2	2	10

(2) Example 2. An employee works from 0700 to 1700 Tuesday through Friday and 7700 to 1100 on Saturday. Employee has a 1-hour meal period Tuesday through Friday, none on Saturday. Overtime pay is computed as follows:

Compensable Hours

	S	M	T	W	T	F	S	Total
Scheduled Hours			9	9	9	9	4	40
Basic rate (scheduled rate)			8	8	8	8	4	36
Overtime rate (1 1/2 Times the basic rate)				1	1	1	1	4

b. Overtime Pay for Night Work. The following examples are intended to illustrate the pay entitlement authorized by subparagraph S8-4b (7)(a), subchapter S8, of OPM's Operating Manual for NAF FWS.

(1) Example 1. This example illustrates the computation of overtime pay for employees who are regularly working a night shift for which the shift differential is payable, when the overtime period falls within the day shift. An employee's regular schedule requires that work be performed between the hours of 2300 and 0730 Monday through Friday. On Tuesday, the employee performs overtime work from 0730 until 1130. Overtime pay is computed as follows:

Compensable Hours

	S	M	T	W	T	F	S	Total
Basic rate (scheduled rate plus 10% shift differential)	8	8	8	8	8			40
Overtime rate (1 1/2 Times the basic rate (scheduled rate plus 10% shift differential))			4					4

(2) Example 2. This example illustrates the computation of overtime pay when an employee performs overtime work on a day not regularly scheduled as a workday for the employee, or for the organization. The organization operates a 24-hour a day, Monday through Friday operation. The employee's regular schedule is Monday through Friday, 1500 to 2330. Overtime work was performed on Saturday, 0800 to 1200. Overtime pay is computed as follows:

Compensable Hours

Workdays Organization Workdays	M	T	W	T	F	S*	Total
Basic rate (scheduled rate plus 7 1/2 percent shift differential)	8	8	8	8	8		40
Overtime rate (1 ½ Times the basic rate (scheduled rate plus 7 ½ percent shift differential)						4*	4

* Not a scheduled workday for the organization or the employee.

(3) Example 3. This example illustrates the computation of overtime pay when an employee performs overtime work on a day not regularly scheduled as a workday for the employee, or for the organization. The organization operates a 24-hour a day, Monday through Friday operation. The employee's regular schedule is 1530 to 2400 Monday through Thursday and 0730 to 1600 on Friday. Overtime work was performed on Saturday 0900 to 1300. Overtime pay is computed as follows:

Compensable Hours

Organization Workdays	M	T	W	T	F	S	Total
Basic rate (scheduled rate plus 7 1/2 percent Shift differential)	8	8	8	8	8		40
Overtime rate (1 1/2 Times the basic rate (scheduled rate only)**						4	4

* Not a scheduled workday for the organization or the employee.

** No shift differential added, because the scheduled shift prior to the overtime was a day shift. This would be true even if the overtime hours were, for example, 1600 to 2000 p.m.

(4) Example 4. This example illustrates the computation of overtime pay for an employee performing overtime work on a day other than a regularly scheduled workday for the employee, but one which is a regular workday for the organization. The organization operates a 24-hour a day, 7 days a week operation. An employee's regular schedule is Tuesday through Saturday, 0800 to 1630. The employee performs overtime work on Monday between the hours of 2000 and 2400. Overtime pay is computed as follows:

Compensable Hours

	S	M	T	W	T	F	S	Total
Basic rate (scheduled rate only)			8	8	8	8	8	40
Overtime rate (1 1/2 Times the basic rate (scheduled rate plus 7 1/2 percent shift differential		4						4

c. Overtime Pay Calculation for Rotating Shifts. These examples deal with overtime pay for employees with regularly rotating tours as authorized in subparagraph S8-4b (7)(b), subchapter S8, of OPM's Operating Manual for NAF FWS.

(1) Example 1. This example illustrates the computation of overtime pay for an employee who has a regularly rotating tour of duty which includes 2 or more shifts, and who performs overtime work on a regularly scheduled workday. An employee's regular schedule rotates on a weekly basis between the hours of 0700 and 1530; 1500 and 2330; and 2300 and 0730 Monday through Friday. Overtime work is performed on Tuesday during the week that the employee is working the first shift (0700 to 1530). Overtime pay is computed as follows:

(a) The scheduled rate (shift differential does not apply) is multiplied by 1.50 to determine the overtime rate.

(b) The overtime rate is then multiplied by the number of overtime hours.

(c) If overtime work is performed on a day during the following week when the employee is working the second shift (1500 to 2330), the computed overtime rate would be 1 1/2 times the scheduled rate, plus the 7 1/2 percent shift differential.)

(2) Example 2. An employee works 2 different shifts on a scheduled rotating basis during each week (Monday-Wednesday, 1500 to 2330 and Thursday - Friday, 1100 to 0730). The employee performs overtime work on a day other than a regularly scheduled workday (Saturday, 0800 to 1200). Overtime pay is computed as follows:

(a) Overtime is computed on the bases of the average rate of basic pay for the regularly scheduled shifts worked by the employee.

Monday, Tuesday, Wednesday = 24 hours

- Basic rate (scheduled rate
  Plus 7 1/2 percent shift differential)

Thursday, Friday = 16 hours

- Basic rate (scheduled rate
  Plus 10 percent shift differential)

(b) The sum of (a) above divided by 40 hours equals average basic rate X 1.50 equals the overtime rate X overtime hours worked.

d. Overtime Pay and Leave Hours

(1) Leave With Pay. An employee has a regularly scheduled workweek of 40 hours, Monday through Friday, 0800 to 1630. The employee takes annual leave from 0800 to 1630 on Tuesday. Four hours of work are performed outside the employee's basic workweek on Saturday. Overtime hours are computed as follows

Compensable Hours

	S	M	T	W	T	F	S	Total
Hours of Work		8		8	8	8		32
Approved annual leave				8				8
Overtime hours worked							4	4

Total: 32 hours of work performed
8 hours of approved annual leave
40 scheduled hours
4 overtime hours

(2) This illustration describes only the provisions of 5 U.S.C., 6121 - 6130. Under FLSA, overtime pay is computed differently for nonexempt vs. exempt employees, and for overtime which is scheduled in advance of the administrative workweek vs. irregular or unscheduled overtime.

12. Special Pay Plan for Tipped Employees

a. Applicability

(1) The policies and procedures stated below are in 5 CFR 532.283. They apply to employees who occupy the position of waiter/waitress and who regularly receive more than $30 a month in tips.

(2) NAFIs may elect whether to participate in the tip-offset procedures or not. This decision is wholly dependent

upon the local NAFI situation. NAFIs that utilize the tip offset must issue local procedures that comply with the following:

(a) A tip offset may be established, abolished, or adjusted by NAFIs on an annual basis and at such additional times as new or revised minimum wage statutes require.

(b) The amount of any tip offset may vary within a single instrumentality based on location, type of service, or time of service. The tip offset should not exceed 50 percent of the applicable minimum rate.

(c) Tip offset practices shall be governed by the FLSA, as amended, or the applicable statutes of the State, possession, or territory where an employee works, whichever provides the greater benefit to the employee.

(d) If it is decided to participate in the tip-offset plan where there is a labor organization that has exclusive recognition, implementation must be negotiated with the labor organization.

(e) Certain States and municipalities have laws that restrict the tip credit offset or prohibit the offset entirely, in which case these laws must be followed.

b. The burden of proof is on the employer in proving the amount of tips received by employees and the amount of tip credit, if any, which they are entitled to claim. It is, therefore, apparent that the amount of tip credit offset may vary, not only from one command to another, but within the same command at varying locations, occasions, and time of day. The actual amount of tips received, and thus the amount of tip credit offset, depends upon many variable factors. The critical point is that tip credit offset must be analyzed on an actual time/location basis and cannot be generalized. The Wages and Hours Division of the DOL and the OPM exercise authority in this matter. Individual activities are subject to payment of double damages when the amount of tip credit offset cannot be verified.

c. The amount of the tip credit offset must be documented in a manner that clearly delineates the scheduled rate of pay and the offset. For example

$3.00 (cash wage)
$1.75 (tips)
$4.75 (scheduled rate)

This documentation must be revised each time the tip credit offset is changed. The amount of tip credit offset remains unchanged for periods of premium pay entitlement. Tip offset credit is not taken during employee absences.

d. The employee must report the amount actually received in tips, including the amount withheld as tip credit offset.

e. In the case where an employee can show to the satisfaction of management that the actual amount of tips received was less than the tip offset credit, the wages paid to the employee will be increased accordingly.

f. Service Charge. A service charge is a mandatory charge added to a patron's bill or party contract. It is not a tip. At management's option, a service charge may be disbursed to employees. If it is disbursed, it is treated as additional gross wages to the employee and is subject to tax. It should not be counted as tips received by the employee. Management personnel and personnel assigned administrative duties are prohibited from accepting tips or participating in receipt of distributed service charges.

13. This section supplements pay policies and procedures contained in subchapter S9 of OPM's Operating Manual for the NAF FWS.

a. General. This section contains specific instructions concerning grade and pay retention benefits for prevailing rate employees who are placed in a lower grade as a result of reduction-in-force procedures, or whose positions are reduced in pay and otherwise meet the criteria outlined below. The grade and pay retention provisions apply to certain employees who are reduced in grade and pay on or after 1 January 1979.

b. Definitions

(1) "Employee" means an employee as defined in 5 U.S.C., 5361, and also an individual who is moved from a position which is not under a covered pay schedule to a position which is under

a covered pay schedule, provided that the individual's employment immediately prior to the move was on other than a temporary or term basis.

(2) "Covered Pay Schedule" means any prevailing rate schedule established under 5 U.S.C., 5341 - 5349, and special schedules as listed in SC 11 and appendix V of OPM's Operating Manual for NAF FWS. All APF and NAF regular schedules are covered by pay schedules.

(3) "Employment on a temporary or term basis" means employment under an appointment having a definite time limitation or designation as temporary or term.

(4) "Demotion at an employee's request" means a reduction in grade

(a) which is initiated by the employee for their benefit, convenience or personal advantage, including consent to a demotion in lieu of one for personal cause.

(b) which is not caused or influenced by management action.

(5) "Demotion for personal cause" means a reduction in grade based on the conduct, character, or unacceptable performance of an employee.

(6) "Rate of basic pay" means the rate of pay fixed by law or administrative action for the position held by an employee before any deductions and exclusive of additional pay of any kind, such as night or environmental differentials.

(7) "Temporary promotion" means a promotion with definite time limitation".

(8) "Temporary reassignment" means a reassignment to a position of the same grade and rate of pay with a definite time limitation.

(9) "Reorganization" means the planned elimination, addition, or redistribution of functions or duties, either wholly within an agency or between agencies.

c. Grade Retention Provisions

(1) Eligibility Requirements

(a) An employee must have been placed in a lower graded position as a result of a BBA, and must have served for 52 consecutive weeks at a grade or grades higher than that of the position in which placed.

(b) An employee's position must have been reduced in grade as a result of reclassification, and the downgraded position must have been classified at a higher grade for 1 year immediately before the action. The head of an agency may also offer grade retention to eligible employees who are reduced in grade as a result of a reorganization or reclassification decision announced by management in writing, provided the employee has served in a position in any pay schedule for 52 consecutive weeks at a grade or grades higher than the position in which the employee is placed, and provided the service was in an agency as defined in 5 U.S.C., 5102.

(2) Grade Retention Period. An employee entitled to grade retention is entitled to retain that grade for 2 years beginning on the date the employee is placed in the lower graded position. If, during the 2-year period of grade retention, an employee is further reduced in grade under circumstances also entitling the employee to grade retention, the employee continues to retain the previous retained grade for the remainder of the original 2 year grade retention period. At the end of that period, the employee is entitled to retain the grade of the position from which the further reduction in grade was made until 2 years have passed from the date of the further reduction in grade.

(3) Determining Retained Grade

(a) Move from a Position under a Covered Pay Schedule. An employee entitled to grade retention retains the grade that they held immediately prior to the reduction in grade even, if the employee has moved to a different pay system.

(b) Move from a Position not under a Covered Pay Schedule. An employee, who is reduced in grade from a position not under a covered pay schedule, retains the lowest grade of

the covered pay schedule in which they are placed which is a representative rate equal to or higher than the representative rate of the grade held immediately before the reduction. If there is no grade in the covered pay schedule with a representative rate of the grade held immediately before the reduction, the employee retains the highest grade in the new pay schedule.

(4) Determining Rate of Basic Pay

(a) An employee entitled to grade retention is entitled to the greatest of

1. their rate of basic pay before the movement.

2. the rate of basic pay from the applicable rate schedule for the grade and step held by the employee before the movement.

3. the lowest rate of basic pay from the applicable rate schedule for the retained grade which equals or exceeds the employee's rate of basic pay before the movement.

(b) Under grade retention, an employee is entitled to have the retained grade treated as their grade for most pay administration purposes, including entitlement to all wage adjustments, step increases, and premium pay.

(c) Once the employee's initial rate of pay is determined, subsequent pay actions are based entirely on the wage schedule in the "new" area.

(d) Annual Adjustment Computation

1. An employee who, at the time of an annual wage adjustment, is receiving a rate of pay within the rate range of the retained grade, is entitled to receive the full wage adjustment of the appropriate retained grade and step.

2. An employee who, at the time of an annual wage adjustment, is receiving a rate of pay outside the rate range of the retained grade, is entitled to their retained rate increased by the amount of the increase in the maximum rate of the employee's retained grade. If an employee's entitlement is

greater under an authority other than the grade retention provisions, the employee is entitled to the greater increase as provided by the authority.

3. An employee, who is placed in a position in a different geographical area, is entitled to receive the full wage adjustment at the appropriate retained grade and step on the rate schedule in the new geographical area.

(e) Eligibility for grade retention ceases when an employee has a break in service of 1 workday or more; is demoted for personal causes, or at the employee's request; is placed in a position where the grade is equal to or higher than the retained grade; declines a reasonable offer of a position, the grade of which is equal to or higher than the retained grade; or elects in writing to have the benefits of grade retention terminated.

(5) Termination of Grade Retention. Grade retention terminates if any of the conditions listed in (e) above occurs after the commencement of the 2-year grade retention period. Grade retention that is of the conditions listed in this paragraph occurs after the commencement of the 2-year grade retention period, and also if the employee fails to enroll in, or to comply with, reasonable written requirements established to assure full consideration under a program providing priority consideration for placement. The effective date of termination of benefits is

(a) the day before placement, if the termination is the result of the employee's placement in another position.

(b) the end of the last day of the pay period during which the employee declines a reasonable offer, elects to waive grade retention benefits, or who fails to enroll in, or to comply with, reasonable requirements established to assure full consideration under a program providing priority consideration for placement.

d. Pay Retention Provisions

(1) Eligibility Requirements. Pay retention will apply to any employee whose rate of basic pay would otherwise be reduced as a result of the following:

(a) The expiration of the 2-year grade retention period.

(b) RIF, BBA or reclassification when the employee does not meet eligibility requirement for grade retention.

(c) The reduction or elimination of scheduled rate, including those reflecting a decrease in the level of prevailing rates as determined by a wage survey, or as a result of the reduction or elimination of special schedules or special rates.

(d) Placement in a non-special rate position, or into a lower special rate position from a special rate position.

(e) Placement in a position in a lower wage area, or in a position in a different pay schedule.

(f) Placement in a formal employee development program utilized government-wide, such as an apprenticeship program.

(g) An agency decision may grant pay retention, at its option, to any employee who meets the eligibility requirements, and whose rate of basic pay would otherwise be reduced as the result of a management action. Generally, an employee who moves to a different pay schedule, or wage areas (in other than a promotion action), or to a lower grade as a result of the merit promotion program (unless movement is to a Government-wide employee development program), is not entitled to pay retention because such a move is considered to be at the employee's own request.

(h) Examples of reduction in pay initiated by management action are as follows:

1. When an employee applies for selection under a formal employee development or recruitment program, generally utilized Government-wide and established by the agency in writing, e.g., the FWS Apprentice Program. Pay retention is appropriate only if all potential applicants are informed in writing that pay retention will be offered to successful reduced if selected for the program.

2. An agency announces a reorganization or reclassification decision in writing. An employee, who is or might be affected by these decisions, requests or is made a voluntary offer of a lower-graded position, or a position in a lower-paying wage area. Because the employee's action is caused or influenced by a management action, and the employee's pay would, or might otherwise be reduced, pay retention is appropriate.

(i) Examples of reductions in pay initiated by the employee are as follows:

1. An employee requests or applies under the merit promotion program for a lower-grade position or a position in a lower-paying wage area for their own benefit, convenience, or personal advantage. The position is not part of a formal employee development or recruitment program established by the agency in writing. Because the employee's action is not caused or influenced by a management action, pay retention is inappropriate.

2. An agency offers an employee a lower-graded position or a position in a lower-paying wage area because of a need to fill the position with an individual having the employee's qualifications, but makes the offer voluntary. (No action will be taken if the employee's action may be caused or influenced by a management action, the employee's pay would not be reduced if the employee declines the offer). Therefore, pay retention is inappropriate.

e. Determining Rate of Basic Pay

(1) An employee entitled to pay retention is entitled to the lowest rate of basic pay in the employee's grade after the action is taken which equals or exceeds their current rate of basic pay. If there is not such a rate, then the employees retain either their current rate of basic pay for the employee's grade after the action is taken, whichever is more.

(2) An employee is entitled to receive 50 percent of any increase in the maximum rate of basic pay for the grade of the employee's new position.

(3) When, as a result of an increase in the scheduled rates of the grade of the employee's new position, an employee's retained rate becomes equal to or lower than the maximum rate of the grade, the employee is entitled to the maximum rate and pay retention ceases.

(4) An employee serving under a temporary promotion at the time they become eligible for pay retention is entitled to retain the rate of basic pay which they would have been receiving at that time, had the temporary promotion not occurred.

(5) When an employee who is receiving a retained rate of saved pay under some other authority is affected by an action covered by pay retention, the employee's rate of basic pay will be determined per the above. Whether the employee is entitled at the same time to continue the retained or saved rate under the other authority, will be determined under those statutory and regulatory provisions providing for the retention of saved rates.

f. Loss of Eligibility. Pay retention ceases to apply to any employee when any of the following occur:

(1) A break in service of 1 workday or more.

(2) Demotion for personal cause or at the employee's request.

(3) Entitlement to a rate of basic pay that is equal to or higher than the employee's retained rate.

(4) Declination of a reasonable offer of a position the rate of which is equal to, or higher than, the employee's retained rate.

g. Termination of Pay Retention. The effective date of termination of pay retention benefits is

(1) the day before placement, if the termination is a result of the employee's placement in another position.

(2) the end of the last day of the pay period in which the employee declines a reasonable offer.

h. Exclusions

(1) Grade and pay retention will not apply to an employee who

(a) moves from a position which is not an agency as defined in 5 U.S.C., 5102.

(b) is identified under 5 U.S.C., 2105(c), except prevailing rate employees included under 5 U.S.C., 5361.

(c) is reduced in grade or pay for personal causes or at the employee's request.

(d) does not satisfactorily complete the probationary period prescribed by 5 U.S.C., 3321(a)(2), and as a result, is removed from a supervisory or managerial position.

(2) An employee's entitlement to grade or pay retention is not affected by a temporary promotion or temporary reassignment. An employee serving under a temporary promotion or reassignment may not retain a grade or rate of basic pay held during the temporary promotion or temporary reassignment.

i. Criteria for Reasonable Offer. In order for an offer of a position to be considered reasonable, it must fulfill the following conditions:

(1) The offer must be in writing and must include an official PD of the offered position.

(2) The offer must inform the employee that entitlement to grade or pay retention will be terminated if the offer is declined, and that the employee may appeal the reasonableness of the offer.

(3) The offered position must be of tenure equal to, or greater than, that of the position creating the grade or pay retention entitlement.

(4) The offered position must be in an agency, although not necessarily in the same agency, in which the employee is serving at the time of the offer.

(5) The offered position must be full-time, unless the employee’s position immediately before the change creating entitlement to grade or pay retention is less that full-time, in which case the offered position must have a work schedule of no less than that of the position held before the change.

(6) The offered position must be in the same commuting area as the employee's position immediately before the offer unless the employee is subject to a mobility agreement, or a published agency policy that requires employee mobility.

j. Appeal of Termination of Benefits because of Reasonable Offer

(1) Except as provided in paragraph e. above, an employee whose grade or pay retention benefits are terminated on the grounds the employee declined a reasonable offer of a position, the grade or pay of which is equal to or greater than their retained grade or pay, may appeal the termination to the OPM.

(2) An employee who appeals under this section will file the appeal in writing to OPM not later than 2 calendar days after being notified that their grade or pay retention benefits have been terminated, and will state in the appeal the reasons why the employee believes the offer of a position was not a reasonable offer.

(3) OPM may conduct any investigation or hearing it determines necessary to ascertain the facts in the case.

(4) If an OPM decision on an appeal under this section requires corrective action by an agency, including retroactive or prospective restoration of grade or pay retention benefits, the agency will take that corrective action.

(5) Termination of benefits based on a declination of a reasonable offer by an employee in an exclusively recognized bargaining unit may be reviewed under negotiated grievance and arbitration procedures per 5 U.S.C., 7121 - 7123 the terms of any applicable collective bargaining agreement. An employee in an exclusively recognized bargaining unit may not appeal a termination of benefits to OPM unless the grievance procedure of

the agreement by which they are covered provides for this review.

(6) Decisions issued by OPM will be considered final decisions. OPM may, at its direction, reconsider an original appellate decision when new and material information is presented, in writing, by the employee or the agency that establishes a reasonable doubt as to the appropriateness of the original decision. The request must be submitted to OPM within 3 calendar days of the date of the original decision.

k. Issuance of Employee Letters. When an employee is entitled to grade/pay retention, the employing agency will give the employee a copy of the PAR documenting entitlement to grade/pay retention in the remarks of the form, and a letter describing the circumstances warranting grade/pay retention and the nature of that entitlement.

14. Pay Adjustments. C&T employees receive regular step increases when they have performed the required period of time between steps in a satisfactory manner and increases authorized by WSD on the pay schedules. They may also be given cash bonuses. C&T are not eligible for Quality Step Increases (QSI). Only GS employees may receive QSIs (5 CFR 531).

Appendix B
Labor-Management Relations

1. Purpose. To prescribe policies and regulations concerning the conduct of labor-management relations in NAFIs under the cognizance of BUPERS/NAVPERSCOM.

2. Policy. The Federal Service Labor-Management Relations Statute, 5 U.S.C., 7101 et seq., was implemented within DOD by DOD 1400.25-M. The statute, as implemented by these DOD issuances, applies to NAFIs (see 5 U.S.C., 7103 (a)(2) and (3), and DOD 1400.25-M, chapter 711). Increased costs resulting from any NAFIs collective bargaining agreement will not be voluntarily shared by other NAFIs.

a. Employee Rights. 5 U.S.C., 7102 gives each employee a right to form, join or assist any labor organization or to refrain from any such activity, freely and without fear of penalty or reprisal and each employee is protected in the exercise of these rights. Except as otherwise provided by law, such rights include the right

(1) to act for a labor organization in the capacity of a representative and the right in that capacity, to present the views of the labor organization to heads of agencies and other officials of the executive branch of the Government, the Congress, or any other appropriate authorities.

(2) to engage in collective bargaining with respect to conditions of employment through representatives chosen of employees under 5 U.S.C., chapter 71.

(3) the case law interpreting 5 U.S.C., 7102 indicates that restrictions on an employee's right in this area must be narrowly tailored. Therefore if NAFI management feels that an employee is taking an action that is a conflict of interest with their union rights under 5 U.S.C., 7102, NAFI management will consult with their JAG office before ordering a NAFI employee to refrain from acting on behalf of a union.

b. Management Neutrality. Supervisors and management officials will maintain a position of neutrality with regard to membership or non-membership of subordinates in a labor organization.

c. Prohibition. Employees are prohibited from participating or assisting in a strike, work stoppage, or slowdown. They also are prohibited from picketing a NAFI activity in a labor management dispute if such picketing interferes with the operation. Employees engaging in such illegal activity are subject to disciplinary action.

3. Exclusions. Labor-management policies and procedures described herein are not extended to aliens or non-citizens of the U.S. that occupy a position outside of the U.S. They are not extended to supervisors or management officials nor any person who participates in a strike in violation of the law. Relationships with labor organizations of non-U.S. citizen employees will be consistent with pertinent inter-government agreements, or local practices and customs.

4. Definitions. For the sake of clarity, the following terms are defined as relating to the labor-management relations program for NAFIs:

a. Employer. This means the fiscal entity that identifies the NAFI for employment, work scheduling, pay and payroll tax purposes.

b. Employee. An employee means an individual appointed as a NAF employee and compensated by NAFs.

c. Supervisor. A supervisor is an individual employed by the NAFI having any one of the following authorities in the interest of the NAFI: hiring, directing, assigning, promoting, rewarding, transferring, furloughing, laying-off, recalling, suspending, disciplining, removing employees, adjusting their grievances or effectively recommending such action. The exercise of an authority must not be merely routine or clerical in nature, but must require the consistent exercise of independent judgment. Such employees are usually classified as "exempt" employees.

d. Management Official. An individual employed by a NAFI in a position with duties and responsibilities that require or authorize the individual to formulate, determine or influence the policies of the agency.

5. Exclusive Recognition

a. Recognition. A Navy NAFI will accord exclusive recognition to a labor organization that meets the requirements for recognition under 5 U.S.C., 7111. The labor organization must have been selected as the representative through the FLRA. Upon receipt of certification of representative from the Regional Director FLRA, the head of the NAFI will notify the president of the labor organization. This written notification will inform the labor organization that certification has been received, the date of the certification, and that exclusive recognition is, therefore, accorded to the organization as a representative of the employees in the unit described in the certification. The head of the NAFI will also provide a copy of the certification and union notification to their APF HRSC, NAVPERSCOM (PERS-653) DASN (CP/EEO), and DOD (CPMS) of the certifications.

b. Appropriate Unit. The FLRA will determine the appropriateness of any NAFI unit. It will determine those employees to be included in the appropriate unit on a basis that will ensure a clear and identifiable community of interest among the employees concerned. A unit will be designed to promote effective dealings and efficiency of NAF MWR operations. A unit will not be established solely on the basis of the extent to which employees in the proposed unit have organized. NAF and APF employees shall not be in the same bargaining unit.

c. Approval. When a labor organization has set forth the proposed unit, the NAFI will inform and consult with the servicing HRSC and NAVPERSCOM (PERS-653) prior to any agreement. Agreements for consent elections will be made only in those cases where consultation has been conducted, or where there is no unit question pending.

d. Elections. All elections by secret ballot are conducted under the supervision of the Regional Director of the FLRA. The head of the NAF activity shares the responsibility for arrangements and the conduct of the election. The labor organization and the head of the NAF activity are expected to meet and work out the details of the elections to be conducted. In the event that the parties cannot agree on any of the election details or procedures, the FLRA Regional Director will decide the matter(s) at issue. The NAF activity will reproduce

notices of election, ballots and other election material, as required, and will also provide adequate facilities for the orderly and expeditious conduct of the election. Employees eligible to vote will be given the opportunity to choose the labor organization they wish to have represent them from among those on the ballot or to choose "no union." The winner will be the option that receives a majority of the votes of eligible employees in the unit who cast valid ballots in the election

e. Representation by a Recognized Labor Organization

(1) Union Rights. A labor organization that has been accorded exclusive recognition is the exclusive representative of the employees in the unit. It is entitled to negotiate collective bargaining agreements covering all employees in the unit, without discrimination, and without regard to labor organization membership. The labor organization is also responsible for representing the interest of all employees in the unit, without discrimination, and without regard to union membership. The labor organization must be given the opportunity to be represented at any formal discussions between any representative(s) of the NAFI and any employee(s) in the unit, or their representatives concerning grievances, personnel polices or practices, or other conditions of employment. The labor organization will be given the opportunity to be present during any examination of an employee in the unit by a representative of the NAF activity in connection with an investigation if

(a) the employee reasonably believes that the examination may result in disciplinary action.

(b) the employee requests representation. The NAF activity is obligated to advise employees annually of these rights.

(2) Employee Rights to Representation. The rights of the union do not preclude an employee from

(a) choosing to be represented by a representative, other than the exclusive representative, in any grievance or appeal action; except in the case of grievance or appeal procedures negotiated in conformity with 5 U.S.C. and 7 U.S.C.

(b) exercising grievance or appeal rights established by law, rule or regulation, except in the case of grievance or appeal procedures that are negotiated in conformity with 5 U.S.C. and 7 U.S.C.

6. Negotiations and Discussion

a. General. Representatives of a NAF activity and the exclusive representative in the appropriate unit will meet and negotiate in good faith to arrive at a collective bargaining agreement. The duty to bargain in good faith will extend to matters that are the subject of DOD or DON rules or regulations for which the FLRA has determined that no compelling need exists.

b. Compelling Need. The criteria for determining compelling need are

(1) the rule or regulation is essential to the accomplishment of the mission of DOD or DON.

(2) the rule or regulation is necessary to ensure the maintenance of basic merit principles.

(3) the rule or regulation implements a mandate to DOD or DON under law or other outside authority.

c. Obligation to Meet and Confer. The normal day-to-day relationship between a NAF activity and the exclusively recognized labor organization is characterized by discussion. Discussion need not automatically result in agreement. It should result in the careful definition of the matter or the views and suggestions of the involved parties. Questions concerning the obligation to meet and confer will be referred to the servicing APF HRSC and NAVPERSCOM (PERS-653) for determination prior to reaching an agreement to meet and confer with the labor organization.

d. Mandatory, Permissive and Prohibited Subjects for Bargaining

(1) Mandatory subjects for bargaining are those matters and working conditions which are within the discretion of the NAF activity, which are not contrary to law or regulations of

higher authority, and which do not infringe on management's authority as guaranteed in 5 U.S.C., 7106(a).

(2) Permissive areas of bargaining are those matters on which the activity may negotiate, if it chooses to do so. Management is not required to negotiate the numbers, types and grades of employees or positions assigned to any organizational subdivision, work project or tour of duty, or on the technology, methods, and means of performing work.

(3) Prohibited areas for bargaining are those rights reserved to management under 5 U.S.C., 7106(a). Management has the right

(a) to determine the activity's mission, budget, organization, number of employees, and internal security practices.

(b) per applicable laws

1. to hire, assign, direct, lay off and retain employees, or to suspend, remove, reduce in grade or pay, or to take other disciplinary action against such employees.

2. to assign work, to make determinations with respect to contracting out, and to determine the personnel by which operations will be conducted.

3. with respect to filling positions, to make selections for appointment from among properly ranked and certified candidates, or any other appropriate source.

4. to take whatever actions that may be necessary to carry out the mission during emergencies.

(4) The fact that the prohibited areas for bargaining are clearly stated does not relieve management of the obligation to bargain on the impact and implementation of the exercise of that authority.

(5) Questions concerning the obligation to bargain any specific proposal will be referred to the servicing HRSC and NAVPERSCOM (PERS-653) prior to negotiating the issue with the labor organization. The parties are obligated to attempt to

reach agreement expeditiously if the issues are within the scope of negotiation.

7. Negotiated Agreements

a. General. The parties may negotiate a written agreement covering those personnel policies and matters affecting working conditions that are not barred from negotiations under 5 U.S.C., 7106. The duty to negotiate in good faith will include all of the following:

(1) To approach the negotiations with a sincere resolve to reach a collective bargaining agreement.

(2) To be represented at the negotiations by duly authorized representatives prepared to discuss and negotiate on any condition of employment.

(3) To meet at reasonable times and convenient places as frequently as may be necessary, and to avoid unnecessary delay.

(4) To furnish to the exclusive representative upon request and to the extent not prohibited by law, data which is normally maintained in the regular course of business and which is reasonable, available, and necessary.

b. Applicability of Agreements. All agreements will be applicable only to the unit for which negotiated. Agreements will not be contrary to law, government-wide regulations which specifically include NAF employees or applicable DOD or DON published regulations in effect as of the date of approval of the agreement. An exception arises if such policy or regulation is explicitly waived with respect to the particular unit concerned in response to a joint request to NAVPERSCOM (PERS-653) by the parties to the negotiations. Agreements have the full force and effect of regulations within the unit to which they apply. Prior to the start of negotiations for an agreement, a written MOU between the parties must be developed locally to establish procedures that will be followed when the contract is negotiated.

c. Basic Requirements of the Agreement. All agreements must contain articles and section addressing at least all of the following:

(1) A statement identifying the parties to the agreement.

(2) A description of the specific unit to which the agreement applies.

(3) A procedure for the settlement of grievances (including questions concerning the ability to arbitrate the specific issue) applicable only to the unit. This procedure will be the exclusive procedure available to the parties and employees for resolving grievances that fall within its coverage. The parties will negotiate the scope and coverage. The grievance procedure will be fair and simple, provide for expeditious processing, and include procedures that

(a) assure an exclusive representative the right, in its own behalf or on behalf of any employee in the unit represented by the exclusive representative, to present and process grievances.

(b) assure employees the right to present a grievance on their own behalf, and assure the exclusive representative the right to be present during the grievance proceedings.

(c) provide that any grievance not satisfactorily settled under the negotiated grievance procedure will be subject to binding arbitration that may be invoked by either the exclusive representative or the NAF activity.

(d) exclude any grievance concerning

1. claimed violations related to prohibited practices.

2. retirement, life insurance, health insurance, or disability insurance.

3. a suspension or removal of an employee who has been removed for matters relating to national security.

4. any examination, certification or appointment.

5. the classification of any position which does not result in the reduction in grade or pay of the employee.

6. other matters which the parties mutually agree to exclude.

(4) A statement specifying the duration of the agreement.

d. Duration of the Agreement. An agreement may be renewed or extended for a specific period where the parties so agree. Each agreement at the time it is renegotiated, renewed or extended must be brought into conformance with applicable published policies, regulations and laws. It is the obligation of the head of the NAF activity to ascertain that the team of negotiators representing management has possession of the latest rules and regulations. Copies of those rules and regulations may be obtained from NAVPERSCOM (PERS-653).

(1) Challenge. Occasionally, a challenge to the exclusive labor organization may be filed prior to the termination date of the agreement. If this occurs while renegotiations are pending, or ongoing, the head of the NAFI may agree in writing with the incumbent union to extend the existing agreement. The extension may not exceed the period during which the challenge remains unresolved plus a 90-day renegotiation period after official notification of the final disposition of the challenge, if favorable to the incumbent organization.

(2) Dues Withholding. If the parties are unable to complete renegotiations of an agreement containing a dues withholding provision by the termination date, dues of unit members will continue to be withheld until resolution of the dispute. This continuance will remain in effect whether or not the parties agree to extend the existing agreement during the period.

e. Negotiation Impasse. If an impasse should develop during negotiations, the services of the Federal Mediation and Conciliation Service (FMCS) will ordinarily be used. If the negotiating parties have mutually agreed to third party mediation assistance, other than that of the FMCS, both parties will immediately inform the FMCS of this agreement. Such

written communications will be filed with the administrator of the region in which the negotiation is scheduled, and will state what alternate assistance the parties have agreed to use.

(1) Mediation. Mediation is the primary means of resolving negotiation impasses. The NAF activity concerned in an impasse situation will participate fully and promptly in the mediation process. When it appears that the parties are approaching an impasse situation, the NAF activity and the labor organization are encouraged to utilize all informal methods of resolving the issue available to them.

(2) Impasse Submitted to Panel. When a negotiation fails despite the efforts of the FMCS, or other mediator, the servicing APF HRSC, and NAVPERSCOM (PERS-653) will determine whether or not the issue should be referred to the Federal Service Impasse Panel (FSIP). Labor organizations may submit matters per rules of the Panel. Third party fact finding or arbitration should not be used unless specifically authorized or directed by the Panel.

f. FMCS

(1) Assistance and Notification. The FMCS makes its services and assistance available to Federal agencies and labor organizations.

(2) Technical Assistance. Among its services, the FMCS provides a consulting and advisory service to activities or recognized labor organization experiencing difficulties in establishing productive relationships. The FMCS calls this service "technical assistance." A NAF activity may initiate a request to FMCS for preventive mediation, or may join the recognized labor organization in such a request.

g. Approval of Agreements. The effective date of an agreement will be the date of its approval by the DOD CPMS by an official delegated such approval authority, any other date upon which the parties have mutually agreed that is subsequent to the date of approval, or the 31st day following the date of execution of the agreement, if approval/disapproval action has not been taken before then. Therefore NAFIs shall send the tentative agreement to CPMS, NAVPERSCOM (PERS-653) and the

servicing HRSC via Federal Express within 48 hours of the conclusion of negotiations.

8. Conduct of Labor Organizations and NAFI Activities Management

a. General. Both labor and management are required to strive to maintain effective labor-management relations in accordance with the Act.

b. Standards of Conduct. In any case in which a labor organization requests or holds exclusive recognition, and a question arises as to whether the organization is in compliance with the Standards of Conduct set forth in, 5 U.S.C., chapter 717120, the NAFI will promptly furnish all available information concerning the matter to the servicing HRSC and the local installation JAG for guidance.

c. Unfair Labor Practices. It is an unfair labor practice for a NAFI to

(1) interfere, restrain, or coerce employees with respect to union activity.

(2) discriminate in conditions of work because of union membership.

(3) sponsor, control, or assist a labor organization.

(4) refuse to negotiate in good faith.

(5) refuse to negotiate or cooperate in impasse procedures.

(6) enforce a regulation which conflicts with the contract, if the contract has an earlier date than the regulation.

(7) refuse to comply with 5 U.S.C., chapter 71 and 7 U.S.C..

d. It is an unfair labor practice for a labor organization to

(1) interfere, restrain, or coerce employees with respect to union activity.

(2) induce the NAFI to discriminate against an employee.

(3) take actions that interfere with the employees' work.

(4) discriminate because of race, color, creed, national origin, sex, age, political affiliation, marital status, or disabling condition.

(5) refuse to negotiate in good faith.

(6) refuse to cooperate in impasse procedures.

(7) engage in or fail to take action to prevent a strike, work stoppage, slowdown or picketing.

(8) refuse to comply with 5 U.S.C., chapter 71 and 7 U.S.C.

(9) deny membership, except for occupational standards or failure to pay dues.

e. Alleged Violations. An activity or labor organization may be charged with having engaged in, or engaging in, unfair labor practice. A charge alleging the violation must be submitted to the Regional Director of the FLRA. The Regional Director will investigate the charge and, if substantiated, issue a formal complaint in the name of the FLRA General Counsel. Once a complaint has been issued by the FLRA General Counsel, the charge may not be withdrawn by the charging party. The General Counsel may also dismiss the charges. Issues that can properly be raised under an appeal procedure may not be raised as unfair labor practices. Issues can be raised under a grievance procedure or as an unfair labor practice, but not under both procedures.

(1) Procedures Governing Unfair Labor Practices. Formal charges must be filed with the Regional Director of the FLRA not later than 6 months after the alleged unfair labor practice occurred.

(2) Procedure in the Event of a Strike, Work Stoppage, Slowdown, or Picketing

(a) Communication with Labor Organization. The guidance in SECNAVINST 12711.1A will be followed if information reaches the head of the NAF activity that the labor organization members may be, or are, engaging in activities prohibited by 5 U.S.C., 7116(B).

(b) Charge Filed. If there is evidence that the labor organization ordered, approved, or authorized the prohibited act, (even though it took prompt steps to stop the act), or the organization fails to take prompt steps to disavow the prohibited act and order its members to cease their participation, or if the organization denies that a prohibited act has taken place, an unfair labor practice charge will be filed directly with the appropriate Regional Director of the FLRA. Such charge will be filed as promptly as possible following consultation with the servicing HRSC and NAVPERSCOM (PERS-653).

9. Dealings with Labor Organizations

a. Use of Official Time

(1) Any unit employee representing an exclusive representative in the negotiation of a collective bargaining agreement will be authorized official time for such purpose during the time the employee would otherwise be in a regularly scheduled duty status. This includes attendance at impasse proceedings. The number of unit employees for whom official time is authorized will not exceed the number of individuals designated as representing the NAF activity for such purpose.

(2) Any activities performed by a unit employee relating to internal business of the labor organization will be performed during the time a unit employee is not in a duty status.

(3) The FLRA shall determine whether an employee participating for, or on behalf of the labor organization in any phase of proceedings before the FLRA shall be authorized official time for such purpose during the time the employee otherwise would be in a regularly scheduled duty status.

(4) Negotiation and mutual agreement between management and the labor organization shall determine the amount of official time an employee representing the exclusive representative, or any other employee in the unit in labor management relations matters.

b. Solicitation of Membership and Support. NAF activity employees may not be prohibited from soliciting membership, or support on behalf of or in opposition, to a labor organization on the NAFI premises during the off-duty time of the employees involved, provided there is no interference with the work of the NAF activity.

(1) Non-employee Representatives. Subject to normal security regulations and reasonable restrictions, labor organization representatives who are not employees may be permitted, upon request, to distribute literature, solicit membership or support on NAF premises. These activities must be limited to non-work areas and during the off-duty time of the employees involved. Permission will be withdrawn for any such activities that interfere with the work of the NAF activity.

(2) Right of Solicitation Restricted. If permission is granted to one labor organization for non-employee representatives to engage in organizing or campaigning activities on the NAF premises, the same privilege must be extended to any other requesting labor organization. When one labor organization has exclusive recognition, no other organization will be allowed to solicit membership or support within the unit. Nevertheless, whether or not there is an exclusively recognized union, employees have the right to distribute organizing, electioneering, and campaign material for or against a labor organization in non-working areas during off-duty time. The right of solicitation may be restricted where it is necessary to maintain production/discipline, or where fire or safety hazards exist. When a timely challenge has been filed by a competing labor organization(s), all rights which the exclusive representative enjoys stemming from its representation function regarding use of bulletin boards and shop stewards should be continued during the campaign and electioneering period.

c. Use of Facilities

(1) General. Where exclusive recognition has not been granted, activity facilities may be made available upon request for the use of labor organizations where practicable on an impartial and equitable basis. Before authorizing the use of the NAF facilities by a labor organization for purposes of solicitation and distribution of literature, the NAFI should reach a clear understanding with the organization on the duration, location, and nature of such activity. Where a labor organization holds exclusive recognition, the use of activity facilities by that organization is a proper subject for negotiation. Management has substantial leeway in deciding what official facilities and services over which it has control will be made available. There should be careful consideration before such privilege is provided.

(2) Use of Facilities Restricted. A labor organization authorized to use facilities for normal labor relations purposes pursuant to the law may not use them for social or political purposes.

d. Distribution and Posting of Labor Organization Literature. Labor organization representatives who are not employees of the NAFI may be permitted, upon request, to distribute literature in non-work areas during the off-duty time of the employees involved. Literature posted or distributed must not violate any law, applicable regulation, provisions of a negotiated agreement, or the security of the NAFI, or contain libelous material. Organizations will be considered responsible for the contents of literature distributed by their representatives. Once exclusive recognition has been granted, management may permit, by negotiated agreement, labor organization notices, bulletins, and other literature to be distributed or posted in designated areas. Distribution must take place during off-duty time. Use of NAF mail systems, or other facilities for the distribution of such material will normally not be authorized. Violations of standards concerning content and distribution of literature will be grounds for revocation of this privilege. Heads of local NAFIs will determine the degree of screening required prior to distribution or posting.

e. Furnishing of Information

(1) Manuals, Directives, Bulletins. Upon request of the exclusive representative, the activity will provide the labor organization with a copy of applicable NAF personnel manuals, directives, and bulletins pertinent to personnel in the unit, and matters affecting working conditions. A labor organization that has not yet been granted exclusive recognition may also request copies of applicable personnel manuals, directives and bulletins. In such instances, copies may be made available in the NAF office to representatives of the labor organization. Upon request, the NAFI will place a labor organization, which has been granted exclusive recognition, on its distribution list to receive copies of applicable personnel manuals, directives and bulletins.

(2) Lists

(a) Request for Lists. Labor organizations may request lists of names of employees, particularly at the start of a membership drive. Depending on the specific request, lists may include such information as names, job titles, job levels, departments, and locations of employees. Home addresses and telephone numbers of NAF employees will not be given to labor organizations. A charge may be made by the NAF activity to recover the actual cost of preparing such lists. The cost will include direct and indirect labor plus supplies.

(b) List Furnished to FLRA Regional Director. When a list of unit employees is furnished to a Regional Director for use in checking a labor organization's showing of interest, a copy of the list will be furnished, without charge, to the petitioning organization and to any other labor organization qualifying as an intervenor under FLRA regulations.

(c) Matter for Negotiation. In the case of the labor organization granted exclusive recognition, the frequency with which updated lists of unit employees are furnished is a matter for negotiation.

f. Meetings with Labor Organizations. The use of official time for meetings between a labor organization and management is a matter of local determination by the parties, except for prohibited activities mentioned above.

g. Union Sponsored Training Session. An employee who is an official or representative of a labor organization granted exclusive recognition may be excused, without charge to leave, to attend a training session sponsored by that organization. This privilege may be granted provided that the subject matter of such training is of mutual concern and advantage to the NAFI and the employee in their capacity as an organization representative. Administrative leave for this purpose should cover only such portions of a training session as meet the foregoing criteria and will normally not exceed the equivalent of 1 day's work for any individual within a 12 month period.

h. Non-employee Rights. Representatives of labor organizations, who are not employees of the NAFI, need not be given any right to use NAF facilities except as may be provided by an agreement with a recognized labor organization or pursuant to established policy. Installation security requirements must be complied with.

10. Payroll Withholding of Labor Organization Dues. Once exclusive recognition is granted, the NAFI and the labor organization may enter into an agreement whereby members of the organization who are employees in the unit may authorize the payment of their dues to the organization through a payroll deduction. Employees who are members of the labor organization but who are not included in the unit cannot participate in the plan for payroll withholding of dues. Arrangements with respect to voluntary allotment of payment of labor organization dues will conform to 5 U.S.C.. 7115.

11. Bargaining/Labor Relations Objectives

a. Negotiation results should

(1) retain flexibility in changing hours of work and workweek.

(2) retain flexibility in changing work assignments.

(3) keep grievance procedures simple.

(4) exclude adverse actions, and termination of probationary employees from grievance/arbitration procedures.

(5) keep merit promotion procedures as simple as possible.

(6) eliminate language that applies only to APF employees.

(7) refrain from limiting work assignments to PDs.

b. NAF management officials and supervisors are encouraged to participate in labor-management relations training offered by CPMS, DASN (CP/EEO).

12. Events Requiring Higher Level Notification/Approval

a. The following labor relations events require notification to NAVPERSCOM (PERS-653) and the servicing APF HRSC. The HRSC is the one that DOD has delegated the authority to deal with third parties for NAF and APF.

(1) Notification that a labor organization is going to attempt to organize all or part of your work force.

(2) Notification from FLRA of an initial unit determination or of a request by a recognized union for a change or clarification of the unit. Copies of FLRA Regional Director Decision and Orders on new or revised unit will be simultaneously sent via facsimile to CPMS, DASN (CP/EEO), and NAVPERSCOM (PERS-653). This includes information on new, revised or terminated units.

(3) When a determination needs to be made concerning whether or not an issue is negotiable.

(4) Upon receipt of a notification of the filing of an Unfair Labor Practice charge and also when FLRA issues a finding on the charge.

(5) Prohibited activities by a recognized union such as a strike or work slowdown.

(6) When impasse results during negotiation.

b. Upon completion of negotiation on a negotiated agreement. The agreement must be approved by the CPMS within 30

days of the date the agreement is signed. Negotiated agreements should be sent via Federal Express or priority mail to NAVPERSCOM (PERS-653) and also to CPMS as soon as they are nearing completion. Then the activity should send the signed agreement as soon as it is signed locally to the same places.

c. Addresses and Phone Numbers

(1) Include name, telephone number and fax number as well as the activity Federal Express address on all submissions. Include the name(s) address and Local number for the Union Officials involved.

(2) The address and phone number for CPMS is

Civilian Personnel Management Service
Labor Relations Branch
1400 Key Blvd, Suite B200
Arlington, VA 22209-5144

Phone (Comm) (703) 696-6301/DSN 426
Fax (Comm) (703) 696-4588/DSN 426

(3) The address and phone number for NAVPERSCOM (PERS-653) is

Navy Personnel Command (PERS-653)
Morale Welfare and Recreation Division
5720 Integrity Drive
Millington, TN 38055-6530

Phone (Comm) (901) 874-6704/DSN 882
Fax (C0mm) (901) 874-6844/DSN 882

Appendix C
Disciplinary Action Procedures

1. Authority to take Basic or Severe Disciplinary Actions. Delegations of authority are in chapter 6. If NAFIs elect to make further delegations where the option is available, these delegations shall be in writing and shall be submitted to NAVPERSCOM (PERS-653) with any step 2 appeal of severe disciplinary actions.

2. Delivery of Proposal and Decision Letters

(a) A management official may hand deliver the letter in a private location if the employee is on duty. The employee should sign the management copy to acknowledge receipt. The signature is not indicating any agreement or disagreement with the contents.

(b) If employees are not on duty, it may be hand delivered to the home address by two management officials or it may be mailed regular mail. If it is mailed, two employees should certify that it was placed in the envelope and it should be taken to a mail facility and not just placed in an in office distribution box. For regular mail, it may be assumed delivery occurred in 3 to 4 days if it is not returned.

3. Basic Disciplinary Actions

a. Oral Admonishment. To be most effective, an oral admonishment should be conducted by management and in private, as promptly as possible in such a manner that it doesn't cause undue embarrassment to the employee. The employee should be advised of what they did wrong, when it occurred, the circumstances surrounding the incident, and the expectations that management has relative to the incident and future related conduct. Finally, the employee should be informed that repeated occurrences of misconduct could lead to more severe disciplinary action. The employee should be encouraged to enter into a dialogue with the supervisor and to discuss their side of the issue. Upon completing the admonishment, the supervisor will make a memo for the record of the incident and discussion. The supervisor retains such memos for a period of 2 years from the date of the admonishment. Such memos may be used as a basis for taking stronger disciplinary action should future infractions or

conduct warrant such actions during the 2-year reckoning period. Supervisory memos relating to oral admonishment will not be placed in the OPF. Oral admonishments are grievable by all categories of employees.

b. Letters of Written Reprimand. A letter of reprimand is a written communication from a supervisor or manager to an employee that identifies misconduct. The reprimand cites the incident in sufficient detail for the employee to fully understand the action for which they are being censored. A proposal letter does not precede letters of reprimand. The initial and only letter issued is the letter of decision to reprimand. A reprimand also contains a statement that it will be placed in the employee's OPF for a 2-year period from the date of receipt of the letter, and that during that time it may be used as a basis for taking stronger disciplinary action should future infractions or conduct warrant such actions. Letters of Reprimand are grievable by all categories of employees.

c. Suspensions of 30 calendar days or less. Suspension should be limited to regular employees in that it generally does not make sense to suspend flexible employees. If a flexible employee is guilty of an action deserving suspension they should be terminated. A suspension places an employee in a non-pay status and should be used when a supervisor determines that a serious or repeated offense has occurred. Suspensions of 30 days or less are not preceded by a "proposal to suspend letter." The first and only letter issued is the letter of decision to suspend. The starting date of the suspension will be at least 7 calendar days from the date the employee receives the written notification (the combined proposal/decision letter). Such decision letters must inform the employee of the right to grieve the action. (All employees are granted grievance rights in such instances). Suspensions shall be for consecutive calendar days. Suspension letters must be followed with an appropriate NAVPERS 5314/2. A copy of NAVPERS 5314/2 is placed in the employee's OPF as a permanent record

4. Severe Disciplinary Actions. These include the following actions against regular employees based upon conduct or behavior:

a. Suspensions for over 30 calendar days.

b. Demotions for cause, (i.e. reducing from a higher to a lower grade or pay band).

c. Reductions in base pay for cause (not a BBA based pay reduction).

d. Involuntary separations for cause including separations for performance of regular employees after failure to improve performance to a satisfactory level while under a letter of caution.

e. Terminations for medical disability or completion of an OCONUS tour are processed using severe disciplinary action procedures but are not terminations for cause and do not adversely reflect on the employees performance or conduct.

5. Processing Written Reprimands and Suspensions of 30 calendar days or less (Basic Disciplinary Actions) for Regular Employees

a. The supervisor with delegated authority to take the action must issue the employee a decision letter with the following provisions:

(1) Letters of written reprimand do not require any advance notice.

(2) Letters of suspension will state the beginning and ending date of the suspension. The starting date will not be any earlier than 7 calendar days from the date that the employee receives the decision letter. This way you will know if the employee is grieving the action and the basis of the grievance. Management has the prerogative to issue a corrected decision letter to delay the suspension until the grievance has been investigated and resolved. The suspension dates shall be consecutive calendar and the employee may not take leave or receive any form of pay during the suspension.

(3) Suspensions require the preparation of a SF-52 and a PAR.

(4) List the specific charges and specifications upon which the action is based. This must contain sufficient detail (pertinent facts, e.g., time(s) dates, etc.,) upon which the

employee may know the action(s) for which they are being censored and base a grievance response to the action.

(5) Indicate whom to contact to review the information upon which the charge(s) are based.

(6) List any other basic disciplinary action taken against the employee within the last 2 years.

(7) Provide grievance rights. Grievances will be processed per the procedures in appendix E or the negotiated agreement if applicable.

(8) Indicate that additional inappropriate conduct may result in more severe disciplinary action that may include termination.

6. Processing Severe Disciplinary Actions for Regular Non-probationary Employees

a. The delegations of authority are in chapter 6.

b. A proposal letter must be given to the employee at least 14 calendar days in advance of the proposed effective date. The employee must continue to be scheduled for work and remain in a pay status unless the employee requests leave or is AWOL during the notice period. The proposal letter will

(1) specify the proposed action, e.g., termination, demotion, suspension for more than 30 calendar days.

(2) list the charges and specifications identifying the employee's actions/behavior that led to the proposed action. These must be insufficient detail to permit the employee to understand the events involved and be able defend themselves.

(3) indicate the right to review the information upon which the charges and specifications are based and whom to contact to review this information. Permission needs to be obtained from the investigating organization to use the necessary portions of the investigation report as a basis of a charge or a specification. Arrests or indictments alone cannot

be the supporting documentation for charges until the employee has pled guilty or been convicted in a court of law.

(4) list any other basic disciplinary action taken against the employee within the last 2 years.

(5) give the right to provide written rebuttal to the charge(s) and specification(s) within 7 calendar days of receipt of the proposed action to the official who is to decide the proposed action. A location or address to which the rebuttal is to be delivered should be included. (Figure C-3 provides a sample notice of proposed action). The employee's response must be in writing and must identify the relief being sought.

(6) if the employee resigns before the decision letter is issued the remarks section of the PAR will state "Employee resigned after being issued a proposed severe disciplinary action letter" unless the resignation was the part of a settlement agreement between the employee and the head of the NAFI or some other official authorized to settle. If the activity has a valid reason to not have the employee in the work area during this period and does not apply the emergency suspension provisions, they may be assigned to another work area or directed to stay at home with pay with the approval of the CO.

c. The Written Decision

(1) shall be delivered to the employee in advance of the effective date of the discipline.

(2) shall indicate that all pertinent material including all information provided by the employee has been reviewed and fully considered.

(3) shall identify which charge(s) and specification(s) in the original letter of proposal were sustained, after consideration of the employee's rebuttal. The charge(s) and specification(s) not sustained, if any. The rational for the decision will also be included.

(4) shall state the specific decision i.e., suspension of 45 days, termination, and the effective date of the action.

(5) shall provide the right to appeal the decision in writing to the next level of management in the chain of command (usually the CO) within 7 calendar days of receipt of the decision letter. This person and their address should be included.

(6) shall indicate the right of the employee to be represented by an individual of their choosing during the appeal process subject to the willingness of the chosen person to serve (if a NAF employee of the organization), no conflict of interest of the representative's position or the priority needs of the NAFI. Any fees charged by the employee's representative are the responsibility of the employee. (The employee and their representative will be given a reasonable amount of official time if requested in writing to prepare for the hearing.)

(7) shall indicate who will contact the employee to finalize all actions involved in processing them off of the roles.

(8) shall not increase the proposed penalty stated in the proposal letter. The penalty may be less but not more than the proposed penalty.

d. The standard of proof in all severe disciplinary actions shall be substantive evidence that is defined as such relevant evidence as a reasonable mind might accept to support a conclusion.

e. The Decision. The SF-52 and NAVPERS 5314/2 are prepared and processed after the decision has been issued. An employee is not kept on the rolls of the activity for purposes of appeal. Figure C-4 provides a sample letter of decision for severe disciplinary actions.

f. The Hearing. If an employee requests a hearing within the required 7-day time frame of the date of receipt of the decision letter the employee's request for a hearing will be granted. The hearing is used to ascertain and consider the facts upon which the severe disciplinary action was taken and the reasons the employee feels the decision should be reversed. A hearing officer will be appointed. A verbatim record of the hearing will be obtained, including the recommendation(s), findings of fact and opinions of the hearing officer, which will

be in writing and attached to the record of hearing. The employee or their representative will be given the opportunity to submit evidence and the testimony of witnesses, cross-examine witnesses, and present appropriate affidavits and depositions. The hearing officer must make a written recommendation to the step 1 deciding official but the person does not have to accept the recommendation. There will be only one formal hearing and the hearing shall be held at the step 1 appeal level.

g. The Step 1 Appeal Decision

(1) Based upon the record of the hearing, the recommendations of the hearing officer and other pertinent data from the discipline file, the step 1 deciding official makes the first level appeal decision. The decision must be in writing and should normally be provided to the appellant within 45 days of receipt of the hearing officer’s report. If no hearing was requested or held the deciding official should make every effort to provide the appellant with the first level of appeal decision within 45 days of receipt of the appeal.

(2) In the absence of a hearing, the deciding official may conduct a "fact finding" relative to the appeal in any manner deemed appropriate, e.g., appointment of a fact finder or investigator, or on the basis of the case as presented.

(3) The decision letter will provide the rationale and further specify the employee's right of appeal to NAVPERSCOM (PERS-65) within 14 calendar days of the receipt of the written appeal decision, and how and where such an appeal must be filed. An example of this decision is at figure C-5. All appeals must be sent via the step 1 deciding official to NAVPERSCOM (PERS-65), and must be postmarked within 14 days of the step 1 decision.

(4) The standard of review throughout the appeal process is substantial evidence.

(5) The step 1 appeal responsibilities may not be delegated to a lower level of management.

h. Step 2 Appeal to the NAVPERSCOM (PERS-65). NAVPERSCOM (PERS-653) will contact the NAFI to submit the full appeal file including hearing transcript via Federal Express or priority

mail. This will include all documents considered in the action and first step appeal. NAVPERSCOM (PERS-65) will make every effort to issue a decision within 60 days of receipt of the employee's appeal however failure to meet this time limit does not automatically give the appellant the requested relief. The NAVPERSCOM (PERS-65) decision is the final Navy decision and there is no further appeal.

i. Emergency Suspensions. An employee may be placed on emergency suspension during the advance notice period of a proposed severe disciplinary action if the conditions identified in chapter 6 of this instruction apply. Otherwise an employee must be in a pay status during the notice period.

j. Termination for Cause. Any employee terminated for cause (does not include abandonment of position and disability related separations) shall not be reinstated or re-employed in any NAVPERSCOM NAFI. Requests for exceptions to this may be submitted through the chain of command to NAVPERSCOM (PERS-653) with complete justification if the individual has been separated for more than 1 year.

7. Processing Basic and Severe Disciplinary Actions for Flexible Employees

a. DOD 1401.1-M states that a disciplinary action is a personnel action affecting a regular employee. SECNAVINST 5300.22C excludes the termination of flexible employees from the Agency grievance process.

(1) The termination of a flexible employee at the completion of a work assignment, at the end of a NTE appointment or for any reason that will not place adverse information on the employees record is not considered to be a disciplinary action and is not grievable.

(2) Other than EEO, there are no formal appeal or grievance procedures available to flexible employee on severe disciplinary actions. There should be documentation at the local level of the reason(s) for the action and the employee should be informed in advance of taking the action of the area(s) of concern.

b. Flexible employees will be given at least 1 days advance written notice.

c. The severe disciplinary action process for flexible employee does not require a proposed action followed by a decision. Instead, the one-letter represents the action management has decided to take relative to the conduct or performance that led to the severe disciplinary action.

d. Since a proposed notice is not used, management must assure that it has gathered or collected all necessary data in support of the action. The decision letter in this case is a notice of finding and decision. As a minimum these letters must include

(1) the action to be effected, i.e., termination.

(2) the conduct/performance that led to the decision.

(3) rationale behind the decision.

(4) at least 1 day advance notice.

(5) instruction on who to contact to review all evidence relied upon to support the charge.

(6) specify grievance rights if the action is a basic disciplinary action. Flexible employees can grieve basic disciplinary actions to the head of the NAFI and then to the CO within 7 days of the effective date of the action. They cannot grieve or appeal severe disciplinary actions.

(7) the decision of the CO is the final Navy decision on flexible employee grievances.

8. Processing Terminations of Regular Probationary Employees

a. The process for terminating probationary regular employees does not require a proposal letter. The head of the NAFI must issue the probationary employee a decision letter. Since a proposed notice is not used, management must assure that it has gathered or collected all necessary data in support of the action. A decision letter, as such, is a notice of finding and decision. The termination letter should provide at least

1-day advance notice. However, if necessary it can be issued and effective as early as the close of business on the last day of the probationary period as long as the probationary employee receives the decision letter that day. Additional advance notice may be given if desired and there is sufficient time remaining in the probationary period. The employee must receive the decision letter before the probationary period ends. As a minimum, these letters must include

(1) the action to be effected.

(2) the reason for the decision. If the reason is performance related, then the employee should have been counseled one or more times concerning the deficiency prior to the termination.

(3) the opportunity to review all evidence relied upon to support the action. The letter should specify the individual to contact to review the information.

(4) the person who will contact them about processing out on the last duty day.

(5) the effective date of the termination.

b. Probationary employees do not have any grievance or appeal rights other than EEO.

9. Official Records. An official record will be established in the personnel office for each disciplinary action effected. This official record will be maintained for a period of at least 4 years from the date of the action. The record will consist of

a. a copy of the notice of proposed disciplinary action.

b. a copy of the appellant's written response, if any, to the notice of proposed action.

c. a summary of the appellant's oral response, if any, to the notice of proposed action.

d. a copy of the written decision of disciplinary action.

e. a copy of the official document effecting the disciplinary action.

f. any and all evidence relied upon in support of the disciplinary action.

g. all appeals/grievances, hearing transcripts, investigation/fact-finding files, etc. involved in the appeals or grievance related to the action.

h. the appellant's petition of appeal.

10. Grievance/Appeal and EEO. If an activity becomes aware that an employee is pursuing the same issue under both the grievance/appeal and the EEO process, the activity should notify the employee they must elect to pursue the issue under the agency appeal/grievance process or under the EEO process but not both and that no further action will be taken on the appeal/grievance until the employee sends written confirmation that this is the process that the employee has elected to use.

11. Offenses will be a matter of official record for 2 years from the date of receipt of disciplinary action by the employee. After 2 years, the offense will not count for purposes of this guide.

12. The following table lists many of the potential offenses that could occur in a NAFI, and a range of disciplinary action penalties that could be taken for each of those offenses. It is emphasized that these are a guide and are not a total list of possible offenses. Unlisted offenses can be compared to the listed offenses that have similar impact for guidance on the appropriate penalty. In addition if circumstances warrant, stronger action may be taken than that indicated in the table. Where local command directives conflict with the following, the command directive takes precedence.

OFFENSES AND RANGE OF REMEDIES			
OFFENSE	**FIRST OFFENSE**	**SECOND OFFENSE**	**THIRD OFFENSE**
ATTENDANCE			
ABANDONMENT OF POSITI0N (MORE THAN 3 CONSECUTIVE DAYS OF AWOL)	REPRIMAND TO TERMINATION	REPRIMAND TO TERMINATION	
SUBMITTING INCORRECT ATTENDANCE RECORD FOR ONESELF OR ANOTHER EMPLOYEE (INCLUDING PUNCHING A CLOCK FOR ANOTHER EMPLOYEE)	REPRIMAND TO 5 DAY SUSPENSION	3 DAY SUSPENSION TO TERMINATION	5 DAY SUSPENSION TO TERMINATION
LEAVING JOB OR WORK PREMISES WITHOUT PERMISSION DURING DUTY HOURS	REPRIMAND TO 5 DAY SUSPENSION	3 DAY SUSPENSION TO TERMINATION	5 DAY SUSPENSION TO TERMINATION
UNEXCUSED OR UNAUTHORIZED ABSENCE, AWOL ON 1 OR MORE DAYS OF WORK, ASSIGNED OVERTIME OR ASSIGNED HOLIDAY WORK	REPRIMAND TO 3 DAY SUSPENSION	1 DAY SUSPENSION TO TERMINATION	5 DAY SUSPENSION TO TERMINATION
UNEXCUSED TARDINESS	REPRIMAND TO 2 DAY SUSPENSION	1 DAY SUSPENSION TO TERMINATION	5 DAY SUSPENSION TO TERMINATION
ABUSE OF SICK LEAVE (INCLUDING ABUSE OF LWOP FOR REASONS OF HEALTH)	REPRIMAND TO 3 DAY SUSPENSION	1 TO 5 DAY SUSPENSION	3 DAY SUSPENSION TO TERMINATION

OFFENSES AND RANGE OF REMEDIES			
OFFENSE	**FIRST OFFENSE**	**SECOND OFFENSE**	**THIRD OFFENSE**
SECURITY			
FAILURE TO SAFEGUARD CLASSIFIED MATTER OF OTHER SECURITY VIOLATION (INCLUDES FAILURE TO CARRY OR SHOW PROPER ID; LOSS OR MISPLACEMENT OF AN ID BADGE	REPRIMAND TO 5 DAY SUSPENSION	3 DAY SUSPENSION TO TERMINATION	5 DAY SUSPENSION TO TERMINATION
COMPROMISE OF CLASSIFIED MATERIAL OR SECURITY	REPRIMAND TO TERMINATION	3 DAY SUSPENSION TO TERMINATION	5 DAY SUSPENSION TO TERMINATION
FAILURE TO OBSERVE PRECAUTIONS FOR PERSONAL SAFETY, POSTED RULES, SIGNS, WRITTEN OR ORAL SAFETY INSTRUCTIONS OR TO USE PROTECTIVE CLOTHING OR EQUIPMENT	REPRIMAND TO 2 DAY SUSPENSION	1 TO 5 DAY SUSPENSION	15 DAY SUSPENSION TO TERMINATION
VIOLATION OF SAFETY REGULATION	REPRIMAND TO TERMINATION	5 DAY SUSPENSION TO TERMINATION	15 DAY SUSPENSION TO TERMINATION
FAILURE TO OBSERVE NO SMOKING REGULATIONS OR CARRYING MATCHES	REPRIMAND TO TERMINATION	5 DAY SUSPENSION TO TERMINATION	15 DAY SUSPENSION TO TERMINATION
VIOLATING TRAFFIC REGULATIONS ON NAVY PREMISES (MAY ALSO LOSE INSTALLATION DRIVING PRIVILEGES)	REPRIMAND TO 2 DAY SUSPENSION	1 TO 5 DAY SUSPENSION	5 TO 10 DAY SUSPENSION

OFFENSES AND RANGE OF REMEDIES			
OFFENSE	**FIRST OFFENSE**	**SECOND OFFENSE**	**THIRD OFFENSE**
PROHIBITED PERSONNEL PRACTICE			
COMMITTING A PROHIBITED PERSONNEL PRACTICE	REPRIMAND TO TERMINATION	5 DAY SUSPENSION TO TERMINATION	15 DAY SUSPENSION TO TERMINATION
CONDUCTING, ASSISTING OR PARTICIPATING IN ANY STRIKE AGAINST THE FEDERAL GOVERNMENT OR ANY AGENCY THEREOF	TERMINATION OF EMPLOYMENT		
DISCRIMINATION			
DISCRIMINATION OR SEXUAL HARASSMENT AGAINST AN EMPLOYEE OR APPLICANT INCLUDING REPRISAL ACTION	REPRIMAND TO TERMINATION	5 DAY SUSPENSION TO TERMINATION	15 DAY SUSPENSION TO TERMINATION
DRUG OR ALCOHOL POSSESSION AND USE			
POSSESSION OF MARIJUANA, ILLEGAL DRUGS, CONTROLLED SUBSTANCE, DRUG PARAPHERNALIA OR ALCOHOL ON DUTY	REPRIMAND TO TERMINATION	10 DAY SUSPENSION TO TERMINATION	15 DAY SUSPENSION TO TERMINATION
REPORTING FOR DUTY OR BEING ON DUTY UNDER THE INFLUENCE OF MARIJUANA, ILLEGAL DRUGS, CONTROLLED SUBSTANCE, PRESCRIPTION DRUGS, DRUG PARAPHERNALIA OR ALCOHOL	5 DAY SUSPENSION TO TERMINATION	10 DAY SUSPENSION TO TERMINATION	15 DAY SUSPENSION TO TERMINATION
USE OF MARIJUANA, ILLEGAL DRUGS, CONTROLLED SUBSTANCE, DRUG PARAPHERNALIA OR ALCOHOL ON DUTY	5 DAY SUSPENSION TO TERMINATION	10 DAY SUSPENSION TO TERMINATION	15 DAY SUSPENSION TO TERMINATION

OFFENSES AND RANGE OF REMEDIES			
OFFENSE	**FIRST OFFENSE**	**SECOND OFFENSE**	**THIRD OFFENSE**
DRUG OR ALCOHOL POSSESSION AND USE (CONT'D)			
UNAUTHORIZED SALE OF MARIJUANA, ILLEGAL DRUGS, CONTROLLED SUBSTANCE, PRESCRIPTION DRUGS, DRUG PARAPHERNALIA OR ALCOHOL ON DUTY	30 DAY SUSPENSION TO TERMINATION	TERMINATION	
CONDUCT			
UNAUTHORIZED POSSESSION (INCLUDING ACTUAL OR ATTEMPTED WRONGFUL REMOVAL FROM ITS PROPER PREMISES) OF GOVERNMENT PROPERTY OR THE PROPERTY OF OTHERS	10 DAY SUSPENSION TO TERMINATION	TERMINATION	
CRIMINAL, DISHONEST, INFAMOUS OR NOTORIOUSLY DISGRACEFUL MISCONDUCT OFF DUTY HAVING AN ADVERSE IMPACT ON THE NAFI	REPRIMAND TO TERMINATION	10 DAY SUSPENSION TO TERMINATION	15 DAY SUSPENSION TO TERMINATION
DISOBEDIENCE TO CONSTITUTED AUTHORITIES, OR REFUSAL TO CARRY OUT ANY PROPER ORDER; INSUBORDINATION; DELIBERATE FAILURE OR UNDUE DELAY IN CARRYING OUT ORDERS, WORK ASSIGNMENTS OR INSTRUCTIONS OF SUPERVISORS	REPRIMAND TO TERMINATION	5 DAY SUSPENSION TO TERMINATION	10 DAY SUSPENSION TO TERMINATION

OFFENSES AND RANGE OF REMEDIES			
OFFENSE	**FIRST OFFENSE**	**SECOND OFFENSE**	**THIRD OFFENSE**
CONDUCT (CONT'D)			
DISORDERLY CONDUCT, FIGHTING, THREATENING OR ATTEMPTING TO INFLICT BODILY INJURY TO ANOTHER; ENGAGING IN DANGEROUS HORSE-PLAY OR RESISTING COMPETENT AUTHORITY	REPRIMAND TO TERMINATION	5 DAY SUSPENSION TO TERMINATION	10 DAY SUSPENSION TO TERMINATION
DISRESPECTFUL CONDUCT; USE OF INSULTING, ABUSIVE OR OBSCENE LANGUAGE TO OR ABOUT OTHER PERSONNEL	REPRIMAND TO TERMINATION	5 DAY SUSPENSION TO TERMINATION	10 DAY SUSPENSION TO TERMINATION
UNAUTHORIZED USE OF AN OFFICIAL MOTOR VEHICLE (31 U.S.C. 1344)	MANDATORY 30 DAY SUSPENSION OR TERMINATION	TERMINATION	
LOAFING, WASTING TIME OR INATTENTION TO DUTY	REPRIMAND TO 3 DAY SUSPENSION	3 TO 5 DAY SUSPENSION	5 DAY SUSPENSION TO TERMINATION
UNAUTHORIZED USE OF OR LOSS OR DAMAGE TO GOVERNMENT PROPERTY OR THE PROPERTY OF OTHERS	REPRIMAND TO TERMINATION	5 DAY SUSPENSION TO TERMINATION	10 DAY SUSPENSION TO TERMINATION
FALSIFICATION, MISSTATEMENT, CONCEALMENT OF A MATERIAL FACT, FALSE TESTIMONY, REFUSAL TO TESTIFY OR PROVIDE INFORMATION IN AN INVESTIGATION OR OFFICIAL PROCEEDING	REPRIMAND TO TERMINATION	5 DAY SUSPENSION TO TERMINATION	10 DAY SUSPENSION TO TERMINATION

OFFENSES AND RANGE OF REMEDIES			
OFFENSE	**FIRST OFFENSE**	**SECOND OFFENSE**	**THIRD OFFENSE**
CONDUCT (CONT'D)			
FILING FALSE OR IMPROPER CLAIMS AGAINST THE GOVERNMENT OR KNOWINGLY AIDING AND ASSISTING IN THE PROSECUTION OF SUCH CLAIMS	REPRIMAND TO TERMINATION	5 DAY SUSPENSION TO TERMINATION	10 DAY SUSPENSION TO TERMINATION
GAMBLING OR UNLAWFUL BETTING; OR PROMOTION OF GAMBLING ON GOVERNMENT PREMISES	REPRIMAND TO TERMINATION	5 DAY SUSPENSION TO TERMINATION	10 DAY SUSPENSION TO TERMINATION
CARELESS WORKMANSHIP RESULTING IN SPOILAGE OR WASTE OF MATERIAL OR DELAYS IN PRODUCTION OR COVERING UP OR ATTEMPTING TO CONCEAL DEFECTIVE WORK	REPRIMAND TO 5 DAY SUSPENSION	5 DAY SUSPENSION TO TERMINATION	10 DAY SUSPENSION TO TERMINATION
IMMORAL, INDECENT OR NOTORIOUSLY DISGRACEFUL CONDUCT, E.G. INCEST, CHILD ABUSE, ETC.	15 DAY SUSPENSION TO TERMINATION	TERMINATION	
VIOLATIONS OF THE STANDARDS OF CONDUCT OR JER	REPRIMAND TO TERMINATION	10 DAY SUSPENSION TO TERMINATION	15 DAY SUSPENSION TO TERMINATION
FAILURE TO REPORT VIOLATIONS OF WORK RULES, PRACTICES AND PROCEDURES, THE JER TO PROPER AUTHORITY	REPRIMAND TO 10 DAY SUSPENSION	10 DAY SUSPENSION TO TERMINATION	15 DAY SUSPENSION TO TERMINATION
GROSS NEGLIGENCE	REPRIMAND TO TERMINATION	10 DAY SUSPENSION TO TERMINATION	TERMINATION

OFFENSES AND RANGE OF REMEDIES			
OFFENSE	**FIRST OFFENSE**	**SECOND OFFENSE**	**THIRD OFFENSE**
CONDUCT (CONT'D)			
VIOLATION OF CONFIDENTIAL WAGE DATA OBTAINED DURING WAGE SURVEY OF PRIVATE COMPANIES	15 DAY SUSPENSION TO TERMINATION	TERMINATION	
ABUSE OF NAFI PRIVILEGES	15 DAY SUSPENSION TO TERMINATION	TERMINATION	
UNSATISFACTORY PERFORMANCE AND CONDUCT OFFENSES BY A FLEXIBLE FOR WHICH A SUSPENSION WOULD BE GIVEN A REGULAR EMPLOYEE	TERMINATION		
PERFORMANCE OR CONDUCT THAT INDICATES AN INABILITY TO ADOPT TO FEDERAL EMPLOYMENT BY A REGULAR PROBATIONARY EMPLOYEE DURING PROBATION	TERMINATION		
MISUSE OF GOVERNMENT SPONSORED TRAVEL CHARGE CARD (E.G. USE FOR UNAUTHORIZED PERSONAL EXPENSES, FAILURE TO PAY CHARGE CARD BILL IN A TIMELY MANNER, OR FAILURE TO USE CARD FOR REQUIRED EXPENSES ARISING FROM OFFICIAL TRAVEL.	Reprimand to removal	5-day suspension to removal	10-day suspension to removal

OFFENSES AND RANGE OF REMEDIES			
OFFENSE	**FIRST OFFENSE**	**SECOND OFFENSE**	**THIRD OFFENSE**
CONDUCT (CONT'D)			
UNAUTHORIZED USE OF OR FAILURE TO APPROPRIATELY MONITOR USE OF GOVERNMENT PURCHASE CARD.	Reprimand to removal	14-day suspension to removal	30-day suspension to removal

SAMPLE BASIC DISCIPLINARY ACTION LETTER OF REPRIMAND

From:
To:

Subj: LETTER OF WRITTEN REPRIMAND

Ref: (a) BUPERSINST 5300.10A

1. This letter of reprimand is based on your tardiness in reporting to work. To be more specific, on xx July xxxx, you arrived at work at 0930, which is 2 hours later than the start of your scheduled workday, i.e., 0730. When your supervisor, (supervisor's name), asked why you were late, you stated that you had overslept so you were charged AWOL.

2. This is the second time you have been late for work. In fact, as a result of your lateness on xx June xxx, you were orally admonished for your tardiness and told that repetition of tardiness could lead to disciplinary actions.

3. Per reference (a) a copy of this letter of reprimand will be placed in your Official Personnel Folder for a period of 2 years from the date of receipt of this letter. During this 2 year period this disciplinary may be used as a basis to support more severe disciplinary action in the event you fail to abide by established conduct, rules, or policies.

4. You have a right to grieve this action. If you do decide to grieve, you must do so in writing and within 7 calendar days of receipt of this notice. Any such grievance must be in writing to the MWR Director and contain

a. a detailed and clear description of the grievance.

b. a description of any previous attempts or steps taken to resolve the issue.

c. the relief being sought.

5. Questions pertaining to this action should be addressed to (full name) in the NAF civilian personnel office. The phone number is xxx-xxxx.

Figure C-1

SAMPLE BASIC DISCIPLINARY ACTION, SUSPENSION OF 30 DAYS OR LESS

From:
To:

Subj: SUSPENSION OF 30 DAYS OR LESS

Ref: (a) BUPERSINST 5300.10A

1. This letter is written to notify you that per reference (a) you will be suspended from work without pay for 14 calendar days from your position as bartender, NF-7405-02, regular full-time, as of xx August xxxx (date must be at least 7 days after receipt). You will return to work on your regular schedule on xx August xxxx.

2. The basis for your suspension is the following charge and specification:

Charge: Use of offensive and vulgar language while on duty.

Specification 1: Three customers filed a written and signed complaint to the club manager that stated, in part, that on xx July xxxx, at approximately 1430, you swore at several customers who happen to be rooting for the Washington Redskins (the TV game was on in the lounge where you were working and the Redskins were playing the Dallas Cowboys). Your language was not only loud, but also highly insulting to the family lineage of those to whom your profanity was addressed. Two customers, in fact, have claimed that they will never again bring their business to our lounge bar as long as you work there. In discussing this charge with you on xx July xxxx, you agreed with the charges as written by the three patrons. In your defense, you stated that you were not feeling well on the day of the incident, and that the customers' antics over a "silly and stupid football game," got on your nerves and you exploded.

3. As you know, you were given a letter of reprimand, dated xx April xxx, for a similar offense. That action was considered in arriving at this 14-day suspension.

Figure C-2

Subj: SUSPENSION OF 30 DAYS OR LESS

4. A NAVPERS 5314/2, will be made a permanent part of your Official Personnel Folder. Dring the next 2 years from the date of receipt of this notice, you fail to abide by established work rules, policies/standards of conduct, this 14-day suspension may be used to support stronger disciplinary action, including removal.

5. You may grieve this action. If you do decide to grieve, you must do so in writing and within 7 calendar days of receipt of this notice. Such grievance must be in writing and sent to the MWR Director, and contain:

a. a detailed and clear description of your grievance.

b. a description of the previous attempts or steps taken to resolve the issue.

c. the relief being sought.

6. Questions pertaining to this action should be addressed to Mr/Ms. (Employee Name) of our NAF civilian personnel office. Her phone number is XXX-XXXX.

Figure C-2

SAMPLE SEVERE DISCIPLINARY ACTION PROPOSED REMOVAL (REGULAR EMPLOYEES ONLY)

From:
To:

Subj: NOTICE OF PROPOSED REMOVAL FOR CAUSE

Ref: BUPERSINST 5300.10A

1. You are hereby notified that per reference (a) you will be removed from your position as NF-1101-01, Marina Tie-Down Master, no earlier than 14 days from the date of receipt of this notice, due to the following charges and specifications:

a. Charge I. Insubordination.

(1) Specification 1. On or about xx April xxxx, you called Mr. Sloop E. Sales a rotten scum, a screwed-up fleabag, and a stupid loudmouth or words to that effect.

(2) Specification 2. That between xx January xxxx and xx April xxxx, you failed to make the proper log entries as directed on xx December xxxx by your supervisor, Mr. (Supervisor's Name), either by intentionally failing to carry out his orders or by undue delay in carrying out his orders.

b. Charge 2. Battery.

Specification. On or about xx April xx, you hit Mr. (person's Name) on or about the face as you left the marina.

2. On or about xx March xxxx, you were given a 20-day suspension for insubordination for failure to carry out the orders of your supervisor, Mr. (Supervisor's Name), when you did not tie down the MWR gig, Always Par Tay, which led to $10,000 damage to the gig.

3. Because of your present actions and those cited in paragraph 2, I am proposing your removal as a MWR employee.

Figure C-3

Subj: NOTICE OF PROPOSED REMOVAL FOR CAUSE

4. All documents, statements, and other evidence that I have utilized in reaching my decision to propose your termination are available for your inspection at the MWR personnel office, Building 20001, NAS Somewhere.

5. You may wish to provide rebuttal to this proposal of termination. If so, such rebuttal must be in writing and postmarked or received by me or my secretary, Ms. (Employee's Name), in my office at Building 20001, NAS Somewhere, within 7 calendar days of receipt of this proposal.

Figure C-3

SAMPLE SEVERE DISCIPLINARY ACTION DECISION TO REMOVE (REGULAR EMPLOYEES ONLY)

From:
To:

Subj: DECISION TO TERMINATE EMPLOYEE FOR CAUSE

Ref: (a) Notice of Proposed Removal, 12272, code xxxx of xx Aug xxxx
(b) Your Letter of Rebuttal of xx Aug xxxx
(c) BUPERSINST 5300.10A

1. You were given reference (a) proposing to terminate you. You replied in writing on xx August xxxx. After fully reviewing and considering references (a) and (b), per reference (c) I have decided to remove you from your position as Marina Tie-Down Master, NF-1101-01, and from the rolls of this organization as of close of business xx August xxxx.

2. Your reference (b) response lacks credibility. You denied hitting Mr. (Employee Name), calling him names and not completing your log entries. Mr. (Employee's Name) testimony and that of the other witnesses clearly establishes that you hit him and called him the names as alleged. The logbooks clearly show that you did not make the entries as required. Without even considering your prior misconduct, these actions alone are sufficient grounds to terminate your employment. Any benefit of the doubt you have in this case is clearly overcome by the fact that this is not the first time you have been disciplined for misconduct. Therefore, both charges in reference (a), (insubordination and battery) are sustained.

3. You have a right to appeal this decision to the CO via the office of the (MWR or VQ) Director. Such appeal must be in writing and received in the MWR Director's office, or be postmarked, no later than 7 calendar days from receipt of this decision. If you can not complete your appeal within 7 days, additional time may be granted for completion of your appeal for good cause is shown. Your extension request must be in writing and submitted prior to the expiration of the 7-day time period.

Figure C-4

Subj: DECISION TO TERMINATE EMPLOYEE FOR CAUSE

4. During the appeal process, you have a right to a representative of your choosing in keeping with the following guidance:

a. You cannot elect to choose an employee of a NAFI personnel office, a government attorney, or an employee of a government legal office.

b. Your selection of a NAF employee is acceptable as long as such selection meets with the selected employee's approval and management does not object on the basis of conflict of interest, or priority workload requirements.

c. You may hire an attorney of your choice; however, you may not have both a government employee and an attorney as your representative. You may have one or the other but not both. As soon as you have obtained a representative, either an attorney or an employee representative, please inform this office in writing of their name, business address, and phone number.

d. Any fees charged by any representative are to be paid by you. The government or the NAFI will not pay these fees.

e. You and your chosen representative will be free from restraint, coercion, discrimination, or reprisal.

f. Once appointed and accepted, your representative will act as your sole point of contact with this activity on all matters pertaining to your appeal.

5. You have a right to a hearing during the appeal process. This hearing, if requested, will take place at the activity level, and will precede any decision from the CO. If such a hearing is requested, it should be contained in your letter of appeal to the CO. The hearing will be used to ascertain the facts of the case, and to allow you or your representative an opportunity to state your case as to why this decision should not be allowed to stand. During this hearing, which will be "heard" by a Hearing Officer of the CO's choosing, you or your

Figure C-4

representative will be given an opportunity to submit evidence, including the testimony of witnesses; cross examine witnesses; and/or present appropriate affidavits and depositions. The chosen Hearing Officer will contact you or your representative prior to the hearing to allow for reasonable "preparation" time. This hearing is an administrative hearing and as such is not a legal or judicial procedure. Therefore, while this hearing will be conducted in a fair and impartial manner, the rules of evidence and other procedural rules associated with a formal judicial proceeding will not be utilized.

NOTE: For activities with a union the following should be utilized: xxx is an employee organization that has been granted exclusive recognition to represent employees of this command in labor relations matters. If you elect not to utilize their services in representing you, a representative of the union may be present and may make a statement of the union's views concerning the case for inclusion in the record.

6. If a hearing is held, The CO will consider all evidence presented including the hearing transcript and the recommendation(s) and opinions of the Hearing Officer, and will normally provide you with a decision within 45 days of receipt of the Hearing Officer's report.

7. In addition, if you believe the basis for terminating you is the result of discrimination due to race, religion, sex, national origin, age, or handicap, you have the right to contact an EEO Counselor within 30 days from the effective date of this termination action. You cannot pursue the issue under both the agency appeal process and the EEO process. You must select which process you wish to follow.

8. Ms. Employee Name, of our NAF civilian personnel office, will be in contact with you prior to your last day on our organization's rolls in order to "out-process" you, i.e., collect necessary ID cards, make arrangements for final paycheck mailing, obtain a final mailing address, and to answer questions you might have concerning this and related matters.

Figure C 4

STEP 1 DECISION ON APPEAL OF TERMINATION FOR CAUSE

From:
To:

Subj: DECISION ON YOUR APPEAL OF YOUR TERMINATION FOR CAUSE

Ref: (a) BUPERSINST 5300.10A
(b) Hearing Officer's Report
(c) MWR ltr 12772 of XXX
(d) MWR ltr 12300 of XXX
(e) Your ltr of XX Aug XXXX

1. Per reference (a) and after reviewing reference (b) and the transcript of the hearing held xx August xxxx I have determined that you were properly terminated for cause. By reference (c), your MWR Director, (Employee Name), proposed your termination because of a charge of insubordination and battery. You were specifically charged with two specifications of insubordination and one specification of battery. They were

a. Charge 1. Insubordination.

Specification 1. On or about xx April xxxx, you called Mr. xxxxxx a rotten scum, a screwed-up fleabag, and a stupid loudmouth or words to that effect.

Specification 2. That between xx January xxxx, and xx April xxxx, you failed to make the proper log entries as directed by your supervisor, Mr. xxxxxx, either by intentionally failing to carry out his orders or by undue delay in carrying out his orders.

b. Charge 2. Battery

Specification. On or about xx April xxxx, you hit Mr. xxxxxx on or about the face as you left the marina.

2. Reference (b) clearly shows that on xx April xxxx, you called Mr. xxxxxx a rotten scum, a screwed-up fleabag, and a stupid loudmouth before you hit him. You also failed to make proper log entries as directed by your supervisor. While you

Figure C-5

Subj: DECISION ON YOUR APPEAL OF YOUR TERMINATION FOR CAUSE

denied calling Mr. xxxxxx any names and hitting him, the testimony of Mr. xxxxxx and Ms. xxxxxx directly contradict your statements. I find your testimony unworthy of belief concerning the above incidents and find no credibility to your testimony that you were not instructed on how to do the log entries. I also believe Mr. xxxxx's statement that you were properly instructed in your duties, but failed to carry them out as directed. Additionally, I am deeply concerned that you were previously disciplined for insubordination and apparently have made no effort to change your behavior to conform to that expected of a MWR employee. Therefore, I am upholding your termination.

3. You have a right to appeal my decision in writing to Navy Personnel Command, (PERS-65). Your appeal must be postmarked within 14 days of the receipt of this decision. Your appeal should be addressed to Navy Personnel Command, Morale Welfare and Recreation Division (PERS-65), 5720 Integrity Drive, Millington, TN 38055-6530 via CO, NAS, Anywhere. If you have any questions or need technical guidance on your appeal, please contact the government's representative, Mr. xxxxx, personnel office, at (xxx) xxx-xxxx.

Commanding Officer

Figure C-5

SAMPLE LETTER TO TERMINATE PROBATIONARY AND FLEXIBLE EMPLOYEES

From:
To:

Subj: SEPARATION DURING PROBATIONARY PERIOD

Ref: (a) BUPERSINST 5300.10A

1. This letter is to inform you that per reference (a) you will be terminated (during your probationary period OR from your flexible position) as a Contract Specialist, NF-1102-04 effective xx August xxxx due to your unacceptable performance and conduct.

2. You were counseled about your performance and conduct on xx June xxxx, xx July xxxx and xx August xxxx.

3. All documents, statements, and other evidence that I have utilized in reaching my decision to terminate you are available for your inspection at the MWR personnel office, Building 20001, NAS Somewhere.

4. Since your performance continues to remain at the unacceptable level, and since your have had ample training and opportunity for improvement, I have no choice but to terminate your employment.

5. This action is not grievable or appealable. If you believe the basis for terminating you during your probationary period is the result of discrimination due to race, religion, sex, national origin, age, or handicap, you have the right to contact an EEO Counselor within 45 days from the effective date of this termination action.

6. Ms. xxxxxx, of our NAF civilian personnel office, will be in contact with you prior to your last day on our organization's rolls in order to "out-process" you, i.e., collect necessary ID cards, make arrangements for final paycheck mailing, obtain a final mailing address, and to answer questions you might have concerning this and related matters.

Figure C-6

SAMPLE LETTER OF CAUTION

From:
To:

Subj: LETTER OF CAUTION - UNACCEPTABLE PERFORMANCE

1. This letter constitutes notice that your performance is currently at an unacceptable level. Therefore I am issuing this letter of caution. You are being given a xx day (must be 30 days or greater) opportunity to raise your level of performance to a satisfactory level.

2. I have previously discussed many of the problems with you during the last 90 days. I also gave you several suggestions on how to improve. Unfortunately, your performance has not improved. The performance problems noted during the past 90 days are as follows:

a. Five vacancy announcements have been issued with the incorrect qualifications. Vacancy announcements should be issued with correct qualifications. If you have questions concerning unusual qualifications, you should ask your supervisor before finalizing the vacancy announcement.

b. Twenty personnel actions have been processed late. All personnel actions will be processed before the effective date unless you have my approval to process it late.

c. There have been three employee complaints about your attitude when dealing with employees. Investigations indicate that these complaints are valid. We must provide good customer service at all times. There is no excuse for losing your temper or displaying a bad attitude.

3. As a result of these problems, your performance is less than satisfactory on the critical elements of quality of work, productivity and customer service and your overall performance is less than satisfactory. I have copies of the referenced documents if you desire to review them.

Figure C-7

Subj: LETTER OF CAUTION - UNACCEPTABLE PERFORMANCE

4. I believe you have received all the training necessary to perform your duties in a correct manner. If you feel that you need additional training, please identify any training necessary to correct your shortcomings. Within reason we will provide the training you need to fulfill your duties. Only you can change the performance and attitude problems listed above and you must do that immediately. Please feel free to contact me at any time during working hours for any assistance or guidance that you need. I will also meet with you daily at 1500 to discuss your work and answer any question you may have. I want you to take full advantage of this opportunity, as I believe it can help you.

5. If upon completion of the 30* day caution period your performance meets the requirements of the position as cited in this letter, you will be notified in writing. You will also be expected to maintain or sustain at least the satisfactory level of performance for 1 year. If, at any time during this upcoming 1-year period your performance again becomes unacceptable, formal disciplinary action may be proposed without initiating another opportunity to improve.

6. If upon completion of this opportunity period, your performance is still not deemed as satisfactory, you will be informed of the performance requirements you failed to meet and will be given an unsatisfactory performance rating. This letter of caution satisfies the requirement to give at least a 30-day minimum period to improve your performance. It will also substitute for the proposal letter if your performance does not become satisfactory or above, a severe disciplinary action becomes necessary.

7. If your performance is rated unsatisfactory at the end of this period, you will be given a decision letter that will identify the specific disciplinary action that will be taken which may include demotion, loss of pay, reassignment or termination action. Severance pay is not authorized in this type of termination.

Figure C-7

8. If you have any questions concerning the content of this letter, your performance standards or my expectations during this opportunity period, please contact me immediately. I am available to assist you with any problems you may have or encounter. I sincerely hope you immediately take steps to raise your level of performance to at least the satisfactory level I look forward to working with you in an effective and professional manner that will benefit all concerned.

***NOTES:**

- On Letters of Caution you must give at least 30 days to improve. You should evaluate performance at least every 30 days. You will need to give the employee the total time stated in the letter to meet the satisfactory level before officially rating unsatisfactory and taking disciplinary action.

- A Letter of Caution is not grievable or appealable and is not included in the OPF unless it becomes the supporting documentation (substitution for a letter of proposal) for a disciplinary action based upon unacceptable performance.

- Counsel and document as you go and prepare a written evaluation at the end of the trial period for the OPF (satisfactory or unsatisfactory).

- Counsel and document as you go.

- Do a written evaluation at the end of the trial period for the OPF (satisfactory or unsatisfactory).

Figure C-7

EMPLOYEE GRIEVANCE, APPEAL AND REVIEW RIGHTS

BASIC DISCIPLINARY ACTIONS					
EMPLOYEE CATEGORY	**WRITTEN NOTICE**	**ADVANCE NOTICE**	**GRIEVANCE RIGHT**	**DAYS TO GRIEVE**	**GRIEVANCE STEPS**
ALL CATEGORIES OF EMPLOYEES	DECISION LETTER ONLY	7 DAYS	YES	7 DAYS	2 STEPS (MWR DIR & CO)

SEVERE DISCIPLINARY ACTIONS					
EMPLOYEE CATEGORY	**WRITTEN NOTICE**	**ADVANCE NOTICE**	**GRIEVANCE OR APPEAL**	**DAYS TO GRIEVE OR APPEAL**	**LEVELS OF GRIEVANCE OR APPEAL**
Regular Non-Probationary	Proposal And Decision	14 days unless already on emergency suspension for 14 days	Appeal	7 days step 1 AND 7 days after step 1 decision for step 2	2 (CO & NAVPERSCOM (PERS-65)
Regular Probationary	DECISION ONLY	1 day	None (EEO only)	N/A	N/A
Flexible	DECISION ONLY	1 day	None (EEO only)	N/A	N/A

Figure C-8

SAMPLE DISABILITY TERMINATION

From:
To:

Subj: NOTICE OF PROPOSED DISABILITY TERMINATION

Ref: (a) BUPERSINST 5300.10A

1. Per reference (a), you are hereby notified of my proposal to remove you from your regular full time position as NF-0301-04, Manager, no earlier than 14 days from the date of receipt of this notice. This removal is being proposed because of a medical condition that has made you unavailable for work and placed you on workers' compensation.

2. You have been continuously absent from work from xx May xxxx through the present. You are currently receiving workers' compensation and there is no indication when you will be able to return to work.

3. I regret having to take this course of action but you have been accommodated as much as we can. This proposal action is for non-disciplinary reasons. When worker compensation and the doctor releases you and you are able to return to work, please contact us and if there is a position available, we will be happy to consider you for any vacancy for which we feel you are qualified.

4. All documents, statements, and other evidence that I have utilized in reaching my decision to propose your removal are available for your inspection at the MWR Personnel Office. Please call them at xxx-xxxx to arrange an appointment to review the material.

5. You may wish to provide rebuttal to this proposed removal. If so, such rebuttal must be in writing and postmarked or received by me within 7 calendar days of receipt of this proposal. The rebuttal should be sent to (address). I will provide a prompt and equitable decision in writing and I will consider your rebuttal to this action prior to making my final decision on this proposed action.

Figure C-9

Appendix D
Business Based Actions (BBAs)

1. Factors to Consider. A BBA is used to adjust resources in response to changes in business revenue, budget, workload, organization, or mission. Covered employees will be issued BBAs if they are identified after an objective, fair and equitable ranking against other employees in the same employment category and group of affected positions. Careful planning is necessary to do as much as possible to lessen adverse effects and avoid administrative and morale problems. It is important to consider whether the cause of the reduction or realignment is temporary or permanent, along with each of the various actions that may be taken. For example, a reduction in hours of work or pay rate may be more appropriate than separation in some cases.

2. Types of BBAs

a. Reduction in Pay Rate. Such actions could result from reorganization, realignment of a workload, elimination of duties or responsibilities from a position, lack of funds, or from a need to be competitive with pay in other organizations or the local labor market. Reductions should impact all similar employees in the competitive area. Reductions in pay as a result of misconduct are processed using severe disciplinary action procedures.

b. Furlough. A furlough occurs when a regular employee is placed in a non-pay status for business-based reasons for 8 calendar days or more (i.e., a temporary layoff for a definite or indefinite period of time). Note: Flexible employees are excluded but shall be placed in a non-work status. As a courtesy, it is recommended that flexible employees be given written notification of any planned furlough, along with its effective and duration dates at the same time that written notices are sent to regular employees. Figures D-1 and D-2 are example letters to use in furlough situations.

c. Reduction in Employment Category. This occurs when an employee is changed for business related reasons to a lower appointment type (e.g., RFT to RPT or RPT or RPT to flexible). Figure D-3 provides an example letter to use in this situation.

d. Separation. This action entails removal of an employee from the organization for business related reasons. This includes any situation where you abolish the established position. Figure D-4 provides an example of a separation notice.

3. Employee Notification

a. Limitation on Effective Date. BBAs will not be issued with an effective date for separation during the period 15 December through 3 January; nor, will any such notices be issued for delivery to employees during this period.

b. General Notification. Prior to issuance of required specific individual BBA notices to impacted competing employees, management must provide a general notification to employees in affected competitive areas. This notice will contain the reason(s) for the planned action(s), the nature of the BBA, the projected effective date of such actions, titles, series, grades/pay band, an employment category of the positions involved in the planned actions, and other pertinent data. Placement of such notice on official bulletin boards will suffice to meet this requirement. Management may use other avenues to announce impending BBA actions, e.g., such as employee newsletters, etc. Irrespective of the means used, management must assure that employees in competitive areas to be impacted by planned BBAs are provided with an advance notice of at least 1 calendar day before BBA notices are issued. Figure D-5 is an example of this type of action.

c. The minimum specific notices are in table D-1.

Employment Category	**Minimum Period Requirement**	
	Separations	All other BBA Actions
Regular Non-Probationary	30 days	7 days
Flexible Employees with 3 or more years in the NAFI	7 days	24 hours
Regular Probationary	7 days	24 hours
Flexible Employees with less than 3 years in the NAFI, employees with time limited appointments, and employees with current performance rating of less than satisfactory	24 hours	24 hours

Table D-1

d. Under emergency conditions, e.g. breakdown of equipment or other emergency conditions requiring suspension of operations, or an unanticipated reduction in business, a minimum of 24 hours notice may be given to regular employees.

e. The head of the NAFI will normally sign the individual notices of BBA. Such notices are not "notices of proposal" instead; they are the actual notices of a BBA decision.

4. Competing and Non-competing Employees (NCEs)

a. Competing Employees. When the competitive area involves regular employees all regular non-probationary employees who are on the rolls and assigned to the competitive level to be impacted by the BBA are competing employees. When the competitive area involves flexible employees who have been on the rolls of the activity for 3 or more calendar years those flexible employees assigned to the competitive level to be impacted are also competing employees.

b. NCE. Those employees who do not meet the foregoing competing employee definition. NCEs do not compete with competing employees under BBA procedures. Such employees may however, compete with one another in determining BBA impact before any competing employees in the same competitive level are impacted by the BBA. NCEs include

(1) regular employees still under a probationary period on the date the general notice is issued.

(2) regular employees with a current less than satisfactory performance rating.

(3) flexible employees with less than 3 continuous years of service in their current NAFI on the date the BBA general notice is issued.

(4) all employees on time limited appointments.

(5) all NCEs in any competitive level must be in a separate category below competing employees.

(6) when NCEs are to be impacted by any given BBA, they will be impacted in the following order:

(a) All employees in the competitive level whose latest record of rating is "less than satisfactory" (when such rating has not been upgraded due to a higher performance rating based on improved performance). In such cases, the improved rating would count as the employees most recent annual performance rating, and have such counted in determining assigned performance rating category, i.e., Gold, Silver, or Bronze. Where there is more than one "less than satisfactory" in a given competitive level, management decides which employee or employees are impacted based upon their comparative evaluation of the employees in this group.

(b) The second group of NCEs to be impacted (only after all "less than satisfactory" employees in the competitive level have been impacted, or in absence of such employees) are employees on a time limited appointment.

(c) The third group of NCEs is flexible employees with less than 3 years service.

(d) The fourth group of NCEs is regular probationary employees. When there is more than one regular probationary employee in the competitive level, the BBA procedure used will be the same as that for regular non-probationary employees, except that only one performance rating will be used.

5. The Process for Taking a BBA - An Overview

a. In deciding who is to be impacted by any BBA, management follows these basic steps:

(1) Determine type of action, e.g., furlough, abolishment of positions.

(2) Determine the competitive area(s) and competitive level(s) impacted.

(3) Determines position(s) involved, by employment category, title, series, and grade or pay band level, e.g., Bartender - NA-7405-4, RFT.

(4) List all involved employees (including non-competing employees) separately by competitive level and area.

(5) Screen personnel files to determine performance evaluation information to verify SCDs and to calculate service acceptable for severance pay. Using performance as a basis places involved employees into their earned performance rating category (Gold, Silver or Bronze).

(6) Within each performance rating "category," places those with the most seniority at the top and those with lesser time in descending order, i.e., by SCD.

(7) Prepare specific individual notice to the impacted employees.

(8) Effect the BBA, starting with NCEs. In the absence of NCEs, management takes necessary BBA starting with the individual in the lowest performance rating group with the least amount of creditable service. This process continues until all needed BBAs in that one competitive level have been taken.

(9) Prepares and issues PARs implementing the BBA.

6. A Definitive Explanation of the Component Parts of a BBA, i.e., Competitive Area, Competitive Level, Performance Category and SCD)

a. Competitive Area. This is the total NAFI activity, or that portion of the activity in which management plans to take the BBA, and in which all competing employees are located or employed. While management may change its decision on competing area determinations, all stated competitive areas must be at least 90 days old (90 days from publication and employee notification of the change) before the new competitive area can be used in a BBA. Figure D-6 provides an example of a competitive area determination notice.

b. Competitive Level. A competitive level represents all positions that are in a competitive area that are

(1) of the same pay plan, series, grade, and title for C&T positions.

(2) assigned to the same pay band, position title and series for pay band positions.

(3) in the same employment category, i.e., RFT, RPT or flexible (more than 3 years).

The following example depicts three different competitive levels for C&T positions:

Title	Series-Grade	Employment Category
Bartender	NA-7405-04	Full-time
Bartender	NA-7405-04	Part-time
Cook	NA-7404-05	Flexible

As such, employees in these positions would never compete with one another during any BBA action.

c. Total Component Parts of a Competitive Level

(1) Position title.

(2) Employment category such as RFT, RPT or flexible. These categories are never mixed in one competitive level.

(3) Series.

(4) Grade or pay band/level.

(5) Name of employees encumbering such positions.

(6) SCDs of employees in the competitive level. For flexible employees, use the date of hire in current NAFI as "SCD" for BBA purposes.

(7) The last two current annual Performance Ratings of Record of individuals in the competitive level.

d. Performance Category

(1) Performance plays a key role in employee retention and in deciding who is impacted during BBA actions. This provides NAFI activities with a more balanced and equitable BBA approach in that it allows for retention of the most flexible, efficient and productive organization and employees needed to fulfill mission needs.

(2) Once management has determined what competitive levels are to be impacted in any BBA, place incumbents of positions in the competitive level into one of three performance categories based on their last two ratings of record, i.e., Gold, Silver, or Bronze.

(3) The following simple yet effective approach has been devised in order to meet the two performance rating requirement.

Performance Rating	**Points**
Outstanding	5
Highly Satisfactory	4
Satisfactory	3
Less than Satisfactory	0

(a) Using above ratings and points, and the requirement to use two ratings during the BBA process, the following are possible variations in "adding" any two ratings:

Outstanding/plus outstanding equals 10 points
Outstanding/plus highly satisfactory equals 9 points
Outstanding/plus satisfactory equals 8 points
Highly satisfactory/plus highly satisfactory equals 8 points

Highly satisfactory/plus satisfactory 7 points
Satisfactory/plus satisfactory equals 6 points

(4) Using the above point values, competing employees are placed into one of three performance categories for BBA purposes.

Performance	Category Points
Gold	9 and 10
Silver	7 and 8
Bronze	3 though 6

(a) If and employee's last performance rating is "less than satisfactory" and performance is still judged as such, that employee is a NCE irrespective of total score of two ratings. Such employees, therefore, must be impacted before any other employee in their competitive level.

(6) Only annual performance ratings will be used in determining BBA outcomes. While a manager may re-rate an employee anytime during the performance rating year for pay adjustment or other purposes, this rating will not be used in place of annual performance ratings for BBA purposes.

(7) While there is no time limit for use of the second or "secondary" performance rating in an employee's OPF, the most recent rating, i.e., primary rating, cannot be more than 14 months old.

(8) If the most recent annual appraisal in the OPF is more than 14 months old, two options exist.

(a) Rerate the employee (employee must be provided with a copy of the rating during the discussion of such updated appraisal). The new rating then, becomes the most recent rating of record, i.e., primary rating, and the previous outdated rating becomes the secondary rating of record. The new rating cannot be used for BBA purposes unless 90 days old.

(b) If a new rating is not prepared or if a new rating is prepared but is not 90 days old before the BBA begins, the employee will be given a presumptive duplicate rating, i.e. equal to the last rating in the personnel folder. These two

rating scores will be used to determine the employee's performance category if the employee has been on board a sufficient period of time to receive two ratings. If the employee has not been on board sufficient time to be entitled to two annual performance ratings, the second rating will be a presumptive rating of satisfactory. In this case the two rating scores to be used would be the score of the rating in the personnel folder and the score of the presumptive satisfactory rating.

(c) Presumptive ratings will be granted the employee by the servicing personnel office as necessary during the BBA process. A regular performance appraisal form will be completed and placed in the employee's OPF.

1. The rating provided will be identical to the most current rating of record if the employee has been on board long enough to receive two annual performance ratings. (This is a presumptive "identical" rating). The personnel specialist will check the appropriate rating block typing or writing the word "presumptive" beside the checked block, and then place the following in the remarks column of the appraisal form, sign the form, and place a copy in the employee's OPF.

2. If the employee has not been on board long enough to receive any ratings or if the employee has not been on board long enough to receive two ratings, the personnel specialist will give a presumptive satisfactory rating.

3. Presumptive ratings should be annotated as follows:

"For purposes of a BBA dated _____ this employee is provided with a presumptive rating of _____ based on their most recent, but outdated, annual performance rating dated _____ (OR based on the fact that they have not been on board long enough to receive an annual rating OR two annual ratings)."

(9) SCD. This is the final piece of data management needs to understand in order to conduct a BBA. Each competing employee is placed in the assigned competitive level. Within that level, place employees according to their earned performance rating category, i.e., each competing employee is placed in one of the following three categories: Gold, Silver,

or Bronze. Once placed in one of these categories, employees are stratified by their SCDs so that the employee with the least amount of service is placed lowest in the assigned performance group category. After action has been taken against NCEs, if applicable, the employee to be impacted by any given BBA action is the competing employee in the lowest performance category. Within that category, the first impact is to the employee with the least amount of NAFI creditable service.

7. A BBA Register. Figure D-7 provides an example of what a completely structured BBA register would look like.

8. Types of BBAs

a. BBA - Pay Decrease. Once the decision has been made to take such action, management must ensure that

(1) employees are informed of the need for the action and plans for taking such action.

(2) the action must apply to all NAF employees in any one or more competitive area. Management may not single out specific NAF employees.

(3) NF and CT employees in the competitive area designated to take the decrease must share in the decrease on a proportionate basis.

(4) notice period and time frames for taking such actions are the same as those specified for other BBAs.

(5) employees may challenge the perceived equity in application of the decrease in pay. Such basis for appeals/grievances is over and above those normally allowed in appealing/grieving other BBAs.

(6) in view of the delicate nature of such action, and the equity or "fairness" issue involved in forcing decreases in base pay and related actions from a select group of employees of the total NAFI work force, management should explore all other

possible options before using the "Business Based - Pay Decrease" option.

b. Furlough. A furlough is a leave of absence of a regular employee (flexible employees are excluded) for 8 calendar days or more (temporary layoff for a definite or indefinite period of time). Whenever a furlough of regular employees of any duration is to take place, flexible employees whose hours will be reduced will be provided with a written notification as to the reason for not being scheduled to work, the effective dates and duration.

c. Reduction in Employment Category. Self-explanatory.

d. Separation. Self-explanatory.

9. Written Notice. Specific BBA written notices will contain the following:

a. Employee's name, current position title, series, grade/pay band level, rate of pay and type of employee. This identifies the competitive level to which assigned.

b. A description of the BBA and the reason for it.

c. Effective date of action.

d. If the action is separation

(1) Statement that the action is non-disciplinary and does not preclude re-employment.

(2) Information on the RPL.

(3) Information on eligibility for use of the Interchange Agreement to apply for APF positions for 1 year from date of separation.

(4) Information on unemployment compensation.

e. Statement that BBA register may be reviewed by impacted employees or their representatives and where this may be done,

f. Information on benefits including advice on loss of benefits if applicable.

g. Employee’s appeal rights and right to representation during the appeal.

h. Information on severance pay entitlement if applicable. See chapter 3 for exclusions to severance pay entitlements.

i. Point of contact for additional information.

10. Challenging BBAs

a. General. Regular non-probationary and flexible employees with at least 3 consecutive years of service in the current NAFI have a right to appeal within 7 calendar days after the effective date of the BBA if they believe BBA regulations and procedures were not properly applied (on the grounds of critical procedural error). This is the only reason for using the BBA appeal process. Management decisions regarding the budget, workload, organization, and mission are reserved to management and are not appealable or grievable. If an employee alleges that the action resulted from an act of discrimination, the action may only be contested through the discrimination complaint procedure.

b. Decision Impact. A decision in favor of an employee entails the requirement that the employee be "made whole." This includes pay and restoration to duty, including employment rights and benefits, as applicable. If, however, it is clear the same action would have been taken against the employee even if the regulatory or procedural error had not been made, then there is no "made whole" provision. A corrected BBA letter is issued and the BBA process continues.

c. Representation. An employee may be accompanied, represented, and advised by a representative of their own choosing, provided the person is willing and free to do so. The employee will designate their representative in writing and provide the designation to the first stage appeal deciding official. The representative's service must not result in a conflict of interest as determined by the installation CO. All costs for the representative will be borne by the employee.

d. Use of Official Time. The employee and their designated representative may use reasonable amounts of official duty time to prepare and present appeals, subject to supervisory determination as to when such time may be used in light of priority needs of the NAFI.

e. BBA Appeal Procedure. The appeal procedure for regular non-probationary employees and flexible employees with 3 or more years of continuous service is as follows:

(1) First Stage. Not later than 7 calendar days after the effective date of the BBA, an employee/their representative may present a written appeal to the lowest level of management that can grant the relief (usually the person who signed the BBA notice). The appeal request must state the regulation; instruction or other pertinent source not complied with by management in conducting the BBA. Every effort will be made to resolve the matter promptly and fairly at this stage. A written decision will be provided the employee within 7 calendar days of receipt of the appeal. If the decision is not issued timely, the employee may proceed to the second stage of the BBA appeal process. The decision will

(a) summarize the issue.

(b) the consideration given.

(c) advise the employee of the right to seek relief at the next stage within 7 calendar days of the receipt of the first stage decision if the employee is not satisfied

(d) advise the employee how and where to file the next stage of the appeal request.

(2) Second Stage. A written appeal shall be submitted up the chain of command to the CO or regional director. Upon receipt of the BBA appeal, the deciding official may designate a disinterested third party to review the facts and make a recommendation to the deciding official. The employee has no right to demand a formal hearing in BBA appeals. A written decision should be provided to the employee within 45 calendar days of receipt of the appeal and shall

(a) summarize the issue.

(b) the consideration given.

(c) advise a regular employee of the right to file an appeal to NAVPERSCOM (PERS-65) within 7 calendar days of the receipt of the second stage decision if the employee is not satisfied. There is no further appeal above this second stage level for flexible employees with more than 3 years service.

(3) Third Stage. This stage applies to regular non-probationary employees only, who, if dissatisfied, may appeal to NAVPERSCOM (PERS-65) within 7 calendar days after receipt of the step 2 BBA appeal decision. NAVPERSCOM (PERS-65) shall make a decision based on the written records within 30 calendar days of receipt of the appeal and appeal file from the activity CO/regional director. There is no further appeal above this level.

(4) BBA appeals follow the chain of command and the employee has no right to a hearing during the BBA appeal process.

f. Record of BBA Appeal. A complete case file of the appeal will be maintained with the BBA file. The file will contain as a minimum

(1) all of the materials normally in a BBA file (see appendix D, section 12).

(2) a copy of the employee's written appeal for each stage of the appeal process that is used.

(3) a copy of all of the management responses to the appeal.

(4) all of the documents involved in the final disposition of the appeal.

(5) any other material deemed relevant.

11. RPLs. RPL guidelines are in chapter 2 of this instruction.

12. Records. A BBA file must be established whenever such action(s) are taken. Such files will be maintained for 2 years from the effective date of the action and will contain

a. the general notification to employees announcing the need for the BBA.

b. a copy of the BBA register.

c. a copy of the specific letter or notice sent to each employee.

d. a copy of the individual PAR that consummated the BBA.

e. a copy of the full appeal file with the required contents.

f. an annotated and updated copy of RPL(s) established as a result of the BBA.

13. Miscellaneous

a. While there is no requirement to receive prior approval for a BBA from NAVPERSCOM (PERS-65), NAVPERSCOM (PERS-653) should be sent an information copy of all general notices impacting 10 or more employees.

b. Neither reversion nor retreat rights are provided for in the BBA process.

FURLOUGH OF SOME REGULAR EMPLOYEES

From:
To:

Subj: BUSINESS BASED ACTION (BBA) - FURLOUGH

Ref: (a) BUPERSINST 5300.10A

Encl: (1) SF 8 Notice to Federal Employee about Unemployment Insurance

1. This letter is written to inform you that you will be placed on a furlough status, for a period of up to 180 days. This furlough is effective xx September xxxx and ends xx March xxxx. This notification meets the minimum 7-day notice requirement that regular employees must receive before such actions are taken. You will receive a personnel action (PAR) implementing this separation.

2. This action is necessitated by the fact that the majority of the military assigned to this installation have been sent overseas as part of Operation xxxxxxxx. This move has led to a drastic curtailment in CPO Club business, thereby, necessitating a temporary cutback in our work force.

3. The retention register for your competitive level contains the following information concerning your personal status:

a. Position Title, Series, Grade and Salary: Accounting Technician, NF-0525-03; $21,000 PA

b. Competitive Area: CPO Club, MWR, Anywhere, USA

c. Competitive Level: Accounting Technician, NF-0525-03, FT Regular

d. Performance Level: Gold

e. SCD: xx January xxxx

4. Following is information on your benefits:

Figure D-1

Subj: BUSINESS BASED ACTION (BBA) - FURLOUGH

a. You will not receive a lump sum payment for your accrued but unused annual leave. You will not be paid for sick leave. It will be restored to you when return from furlough. (NOTE: MANAGEMENT MAY PERMIT USE OF ANNUAL LEAVE BEFORE THE OFFICIAL FURLOUGH).

b. If you wish to retain your health insurance during the furlough, you will be required to pay the employee cost.

5. You may be eligible to receive unemployment compensation. This decision is up to the State Public Employment Service Office or the State Employment Security Office. Enclosure (1) provides details on how to find out if you will be eligible to receive unemployment compensation.

6. This BBA furlough action is a non-disciplinary action and should not be considered as reflecting upon your performance or conduct. It is being taken solely for the reasons stated. The services you have rendered toward the accomplishment of our mission are sincerely appreciated.

7. You/your representative may review the retention register utilized in taking this action by contacting the NAF personnel office. You also have a right to appeal this action. The appeal can only be based on procedural grounds. Should you desire to appeal this action, your request must be submitted in writing to the undersigned not later than 7 calendar days after the effective date of the action. Your appeal must state the regulation; instruction, procedures or other pertinent source not complied with by management in conducting the BBA.

8. Please contact Ms. xxxxxx of the NAF personnel office if you need additional information or have questions about any of the items mentioned in this notice or any other issues concerning your employment, your benefits or your rights. Ms. xxxxx phone number is (xxx) xxx-xxxx.

Figure D-1

FURLOUGH - ALL EMPLOYEES IN THE COMPETITIVE AREA

From:
To:

Subj: BUSINESS BASED ACTION (BBA) - FURLOUGH

Ref: (a) BUPERSINST 5300.10A

Encl: (1) SF 8 Notice to Federal Employee about Unemployment Insurance

1. This letter is written to inform you that you will be placed on a furlough status, for a period of up to 180 days. This furlough is effective xx September xxxx and ends xx March xxxx. This notification meets the minimum 7-day notice requirement that regular employees must receive before such actions are taken. You will receive a personnel action (PAR) implementing this separation. Specific information on BBAs may be found in reference (a).

2. This action is necessitated by the fact that all of the employees in your competitive area are being closed for up to 6 months for major renovation. If the renovations are completed prior to the 6-month time frame, we will notify you and provide you with a return employment date.

3. Normally, we would provide you with information concerning your competitive standing with other competing employees; however, since all CPO Club employees are being furloughed there is no need to provide such data.

4. Following is information concerning your benefits:

a. You will not receive a lump sum payment for your accrued but unused annual leave. You will not be paid for sick leave. It will be restored to you when return from furlough.

b. If you wish to retain your health insurance during the furlough, you will be required to pay the employee cost.

Figure D-2

Subj: BUSINESS BASED ACTION (BBA) - FURLOUGH

5. You may be eligible to receive unemployment compensation. This decision is up to the State Public Employment Service Office or the State Employment Security Office. Enclosure (1) provides details on how to find out if you will be able to receive unemployment compensation.

6. This BBA furlough action is a non-disciplinary action and should not be considered as reflecting upon your performance or conduct. It is being taken solely for the reasons stated. The services you have rendered toward the accomplishment of our mission are sincerely appreciated.

7. (Add for regular employees and flexible employees who have been on the rolls of the NAFI for 3 years). You also have a right to appeal this action. The appeal can only be based on procedural grounds. Should you desire to appeal this action, your request must be submitted in writing to the undersigned not later than 7 calendar days after the effective date of the action. Your appeal must state the regulation, instruction, procedures or other pertinent source not complied with by management in conducting the BBA.

8. Please contact Ms. xxxxx of the NAF personnel office if you need additional information or have questions about any of the items mentioned in this notice or any other issues concerning your employment, your benefits or your rights. Ms. xxxxx phone number is (xxx) xxx-xxxx.

MWR DIRECTOR

Figure D-2

SAMPLE LETTER - CHANGE IN EMPLOYMENT CATEGORY

From:
To:

Subj: BUSINESS BASED ACTION, CHANGE IN EMPLOYMENT CATEGORY

Encl: (1) Benefit Entitlement Package*

Ref: (a) BUPERSINST 5300.10A

1. This letter is written to notify you that your employment category will be changed from regular full-time to flexible. This change will be effective xx March xxxx, which is beyond the 7 day required minimum notification for such business based actions. Specific information concerning BBAs and benefits continuation is in reference (a).

2. This change in your employment category was necessitated by an acute drop in CPO club business and related budgets.

3. The retention register for your competitive level contains the following information concerning your personal status:

a. Position Title, Series, Grade and Salary: Accounting Technician, NF-0525-03; $21,000 PA

b. Competitive Area: CPO Club, MWR, Anywhere, USA

c. Competitive Level: Accounting Technician, NF-0525-03, FT Regular

d. Performance Level: Gold

e. SCD: xx January xxxx

4. The retention register, which contains data on all competing employees in your competitive level, is available for your review. Please contact Ms. (name), 231-1234 if you wish to review the register.

Figure D-3

Subj: BUSINESS BASED ACTION, CHANGE IN EMPLOYMENT CATEGORY

5. Since this action will cause you to lose base pay and benefits, you may elect to resign in lieu of your change in employment category. If you decide to take this option, you may be eligible to receive severance pay. If this is your choice, you must notify Ms. (name) within 7 calendar days of receipt of this letter. Failure to elect this option will result in a change in your employment category with the stated effective date of xx August xxxx. Your new supervisor, Mr. xxxxxx, will contact you prior to the effective date of your employment category change to provide you with your new work schedule.

6. As a regular, non-probationary employee, you have a right to appeal this action. An appeal can only be based on procedural grounds. Should you desire to appeal this action, your request must be submitted in writing tot the undersigned not later than 7 calendar days after the effective date of the action. Your appeal must state the regulation, instruction, or other pertinent source not complied with by management in conducting the BBA.

Figure D-3

SAMPLE LETTER - SEPARATION

From:
To:

Subj: BUSINESS BASED ACTION (BBA) - SEPARATION

Ref: (a) BUPERSINST 5300.10A

Encl: (1) SF 8, Notice to Federal Employee about Unemployment Insurance

1. As a result of a recent A-76 study, all of the MWR functions are being contracted out and all positions are being eliminated. This notice has been written to inform you per the BBA procedures in reference (a) your position will be abolished and you will be separated from employment with the (organization) as of close of business on xx March xxxx. This notice exceeds the minimum notification that a NAF employee of your employment category must receive before such action can be taken. You will receive a personnel action (PAR) documenting this separation. The retention register for your competitive level contains the following information concerning your personal status:

a. Position Title, Series, Grade and Salary: Accounting Technician, NF-0525-03; $21,000 PA

b. Competitive Area: CPO Club, MWR, Anywhere, USA

c. Competitive Level: Accounting Technician, NF-0525-03, FT Regular

d. Performance Level: Gold

e. SCD: xx January xxxx

2. This BBA separation action is a non-disciplinary action and should not be considered as reflecting upon your performance or conduct. It is being taken solely for the reasons stated and does not preclude your future re-employment with MWR. The services you have rendered toward the accomplishment of our mission are sincerely appreciated.

Figure D-4

Subj: BUSINESS BASED ACTION (BBA) - SEPARATION

2. Following is information concerning your benefits:

a. You will receive a lump sum payment for your accrued but unused annual leave. You will not be paid for sick leave. It may be restored to you should you be re-employed as a regular employee in an MWR NAFI.

b. You may be eligible to retain your health insurance for up to 18 months but you will be required to pay the full employee and employer cost plus a two percent administrative fee.

c. Your life insurance and AD&D coverage will stop effective the last day of your employment. You may convert the life insurance coverage to an individual policy within 31 days after separation without proof of insurability. You will have to pay the total cost of this policy.

d. As a result of your years of service as a regular employee, you will be entitled to x weeks of severance pay. This will be paid to you in a lump sum within 4 weeks of your separation date.*****

3. You may be eligible to receive unemployment compensation. This decision is up to the State Public Employment Service Office or the State Employment Security Office. Enclosure (1) provides details on how to find out if you will be able to receive unemployment compensation.

4. You will be placed on the Re-Employment Priority Placement List (RPL) for NAF positions within this commuting area. The RPL consideration will include vacancies in your same or lower employment category and in your same or lower grade. You will also be eligible to apply for APF vacancies at your same or lower grade for up to 1 year from the date of your separation if NAF employees are within the area of consideration of the vacancy announcement.

Figure D-4

Subj: BUSINESS BASED ACTION (BBA) - SEPARATION

5. You and or your representative may review the retention register utilized in taking this action by contacting the NAF personnel office at (xxx) xxx-xxxx. You also have a right to appeal this action. The appeal can only be based on procedural grounds. Should you desire to appeal this action, your request must be submitted in writing to the undersigned not later than 7 calendar days after the effective date of the action. Your appeal must state the regulation; instruction, procedures or other pertinent source not complied with by management in conducting the BBA.

6. During the appeal process, you have a right to select a representative of your choosing as long as there is no conflict of interest involved and as long as the person is willing to serve. Any fees charged by or paid to a representative are to be paid by you. The government or the NAFI will pay no fees.

7. Please contact Ms. xxxxx of the NAF personnel office if you need additional information or have questions about any of the items mentioned in this notice or any other issues concerning your employment, your benefits or your rights. Ms. phone number is .

MWR DIRECTOR

***** If employee is eligible for immediate annuity, they cannot receive severance pay. Include a paragraph on retirement eligibility if eligible for immediate annuity.

Figure D-4

EXAMPLE GENERAL NOTICE

From:
To:

Subj: PROJECTED BUSINESS BASED ACTION

1. This is to notify employees of the Officers Club that management intends to eliminate two regular full time Bartender positions, NA-7405-04. This BBA action has been necessitated due to declining revenues.

2. Individual BBA notices required to take the necessary action should be issued within 2 weeks of the date of this notice.

3. Questions pertaining to this matter should be directed to Ms. xxxxxxxx, your servicing personnel specialist. Her phone number is (xxx) xxx-xxxx.

MWR Director

Figure D-5

EXAMPLE COMPETITIVE AREA DETERMINATION NOTICE OF THE TOTAL MWR ACTIVITY

xx August xxxx

From:
To: All NAF Employees

Subj: COMPETITIVE AREA

Ref: (a) BUPERSINST 5300.10A

1. This is to notify all employees that I have determined that all NAF employees of MWR, NAS North Island are in the same (one) competitive area.

MWR Director

NOTE: This notifies employees that the total activity will be one competitive area for BBA purposes. If one of their three clubs must close down for 6 months. (Let's call the club that is temporarily closing, Club A, and the other two clubs, B and C.) Since the total MWR activity is one competitive area, all employees could be impacted by the BBA; that is, all employees in the activity must compete in determining who is to be furloughed or terminated. In such case it is highly likely that some, if not many, of Club A people will not be furloughed. Instead, Club B, and C employees could be "hit." This means that Club "A" employees might be reassigned to Clubs B & C due to B & C Club employees being furloughed because they were "low on the totem pole." Now, had each club been made a separate competitive area, impact of any and all BBA's in any one club would be restricted to that club (competitive area) only. If the three clubs had been set up as three separate competitive areas, only employees of Club A have been furloughed without disruption to Clubs B & C.

Summary: Declaring competitive areas is a key management decision. By definition, it limits the impact of BBAs only to those positions and employees in the defined area. While management may change its decisions on competing area

Figure D-6

determinations, all stated competitive areas must be at least 90 days "old" (that is 90 days from publication and employee notification of the change) before the new competitive area can be used in a BBA.

Figure D-6

SAMPLE RETENTION REGISTER

xx Feb xxxx

Competitive Level: Secretary - Full time - NF-0318-02

Performance Category - Gold - (9 & 10 Points)

Name	Date/Rating Appraisal 1	Date/Rating Appraisal 2	SCD
Employee A	1 May 91 Out	1 Jun 92 Out	12 Apr 78
Employee B	3 Apr 91 Out	30 May 92 HS	1 Mar 88

Performance Category - Silver - (7 & 8 Points)

Employee C	13 Jun 91 Out	30 Jun 92 Sat	1 Mar 75
Employee D	19 Jan 91 HS	1 Dec 92 HS	1 Apr 80
Employee E	28 Jan 91 HS	1 Dec 92 Sat	15 Dec 82

Performance Category - Bronze - (3 - 6 Points)

Employee F	17 Jun 91 Sat	1 Jul 92 Sat	28 Oct 76
Employee G	1 May 91 Sat	1 Jul 92 Sat(P)	15 Mar 82

Non-Competing Employees

None

In using the above BBA register, eliminate or take BBAs from the bottom up. As can be seen, names are placed in the competitive level group earned/performance category and placed within each category in order of SCD with the person with most credit at the top of their assigned group. Where no employees are found in an assigned group, the word "none" would be annotated under that group. Also note that the date of the two ratings are provided. Where a presumptive rating has been given, the letter "P" must be shown at it is with Employee G under Bronze category above.

Figure D-7

Appendix E
Administrative Grievance Process

1. Grievance. Requests by an employee or by a group of employees for personal relief from matters of concern or dissatisfaction that are subject to the control of the NAFI will be processed per the requirements of this appendix. Included are requests for relief from personnel actions.

2. Exclusions. All of the following are matters that are excluded from coverage of the grievance process. These matters will not be accepted as grievances.

a. Grievances covered by a negotiated agreement. The negotiated procedure is the exclusive procedure available for resolving grievances that fall within the coverage of the collective bargaining agreement.

b. Actions taken pertaining to the security program.

c. Separation during the probationary period provided all procedural requirements have been met.

d. Separation from a flexible appointment

e. Allegations of discrimination on the basis of race, age, color, religion, sex, disability, or national origin. These cases should be referred to the EEO Office.

f. Personnel actions voluntarily requested by the employee.

g. Granting or not granting an honorary or monetary award.

h. Granting or not granting a pay increase to a pay band employee.

i. The content of published policy.

j. A specific action required by an authority outside of NAVPERSCOM or any matter subject to final administrative review outside NAVPERSCOM.

k. Wage or salary rates or schedules established by appropriate authority.

l. Terminating a temporary promotion or temporary pay increase due to the assignment of additional duties and the return to the rate of pay that was being received prior to the temporary promotion.

m. Non-selection from a referral list of properly certified candidates.

n. Letter of Caution or warning of a proposed unsatisfactory performance rating.

o. Management decisions regarding budget, workload, organization, and mission that result in BBA.

p. Allegations of mismanagement when no form of personal relief to the employee is appropriate.

q. Release of information and records from Navy files.

r. Reassignment to a position at the same rate of pay or grade/level and in the same appointment category.

s. Content of performance standards.

t. Separation of off duty military employees upon withdrawal of CO approval to work.

u. Any matter that has its own review or appeal procedure stated as part of its regulatory provisions.

v. Matters accepted by the Inspector General for review.

w. Any issue previously decided in an earlier grievance brought by the employee.

3. NF and CC Classification Grievances

a. NF and CC employees may grieve the assignment of their position to a particular pay band. Where levels within a band have been established, the assignment of a position to a particular level may be grieved.

b. Bargaining unit employees may use this grievance procedure for classification complaints about actions that do

not result in a reduction of pay or pay band. per 5 U.S.C., 7121, negotiated grievance procedures may be used only if the classification results in a pay or pay band reduction.

4. Employee Rights

a. All employees will be treated fairly and equitably in all respects. Those who feel they have not been so treated have a right to present their grievance to appropriate management officials for prompt consideration and decision. An employee may exercise this right personally or through a personal representative. In exercising this right, the employee will be unimpeded and free from restraint, coercion, discrimination, or reprisal. Dissatisfactions and disagreements arise occasionally in any work situation; the filing of a grievance will not be construed as reflecting unfavorably on the quality of supervision or on the general management of an organization.

b. Grievances will be resolved or decided at the lowest practicable organizational level (usually head of NAFI) and in the shortest time possible.

c. Consideration of a grievance must be expeditious, fair, thorough, and impartial. Lengthy delays in the resolution of a grievance may overshadow the original matter about which the grievant was dissatisfied, with an accompanying adverse effect on morale.

d. Upon request, grievants may be given sanitized information from official records related to their grievance, however, records will not be released if prohibited by law or regulation. Also, grievants will be given full access to relevant regulations and official directives. When feasible, extracts or copies of these regulations and directives will be given to the grievant on request.

e. Both the aggrieved and the designated representative may be present at any phase of the process and may review documentary evidence. Review of the documentary evidence or attendance at group meetings or interviews will not be permitted by any individual whose involvement is not required for resolution of the case.

5. Representation

a. A grievant may be accompanied, represented, and advised by a representative of choice. The representative's service must not result in a conflict or apparent conflict of interest or position, conflict with the priority needs of the service, or cause unreasonable cost to the NAF. Similarly, a representative of a labor organization may not represent supervisory personnel. The NAFI management official may not designate a representative for an employee nor require any employee or individual to serve as a representative of another employee. All expenses of the grievant and representative must be home by the grievant, the representative, or both.

b. Representatives must be designated in writing. The representative's name will be sent through the grievant's immediate supervisor to the personnel office. Changes in representatives must be made in writing in the same manner.

c. The head of the NAFI may disapprove a grievant's choice of representative at any time. The employee will be told, in writing, the specific reasons for the disapproval.

d. The representative must obey the same rules of conduct and procedures as the grievant.

6. Use of Official Time and Resources

a. The aggrieved employee and designated representative, if otherwise in an active duty status may use reasonable amounts of official time, subject to supervisory approval. The time allowed depends on the facts of the specific case. Official time must be requested in writing from the supervisor and may be used to

(1) get advice on rights and privileges from official sources.

(2) get information on or assistance with the grievance from official sources (for example, get copies of witnesses' statements, etc.)

(3) present the grievance.

b. Official time will not be granted for preparing a grievance, organizing materials, writing, or typing it.

7. Discontinuance of Consideration

a. A grievance may be canceled at any time at the grievant's request. The request will be in writing and should state briefly the reasons for the request. When a grievant requests that a grievance be canceled, a subsequent grievance on the same matter may not be filed.

b. Any unjustified delay or dilatory tactic on the part of the grievant will serve as a basis for closing out action on a grievance. Specifically, failure without reasonable basis to furnish requested information within specified time limits, or any other unjustifiable delay in the processing of the case, will justify closing the case and rendering a decision on the basis of the information available. Unjustified delay on the part of management will serve as basis for the employee to request that the grievance move to the next higher level.

c. If the grievant resigns, dies, or is separated before a decision is reached, action will be stopped and all interested parties will be notified promptly in writing that the case is being closed without decision. A copy of this notification will be made a part of the case record. If a separation or a pay issue is involved, the case will be processed to conclusion in the same manner as though the grievant had remained on the rolls.

d. When a grievance is terminated, the grievant will be informed of the reasons in writing, unless the grievant has been separated from the rolls voluntarily or unless the case is closed because of death.

8. Grievance Steps

a. There are two formal steps in the agency grievance process. However, employees and supervisors are encouraged to discuss issues informally before a formal grievance is initiated. Many issues are usually resolved through open communication. There is not any requirement the employee do this. The employee may go directly to step one.

b. Formal Step One

(1) A formal written grievance may be submitted up the employee's chain of command to the head of the NAFI, VQ Manager, Assistant Manager New Sanno Hotel, or the Fisher House Manager or one level above them if they are the manager who took the action being grieved. The grievance shall be submitted not later than 7 calendar days after the effective date or date the event occurred or the date that the employee became aware of the event that is the basis of the grievance. Written step one or step two grievances, must contain

(a) a detailed and clear description of the grievance.

(b) a summary of previous attempts or steps taken to resolve the issue.

(c) the relief sought.

(2) Upon receipt of the grievance the deciding official may resolve the grievance on the basis of the record. If further information is required, a disinterested third party may be designated to obtain the facts and if desired a recommendation to the deciding official. This fact finder may not be a subordinate of an official involved in the grievance unless that official is the CO.

(3) The step one deciding official may approve and implement the recommendation of the fact finder, or determine another resolution. A written decision will be provided to the employee within 30 calendar days of receipt of the grievance. If the fact-finding process will be lengthy the employee will be advised of the expected date of decision. Failure to render a decision within 90 calendar days is a basis for the employee to request forwarding the grievance to the next higher level. The written decision on the grievance shall summarize the grievance and the consideration given. The employee will be advised that if they are dissatisfied with the step one decision, the grievance may be presented to the step two level not later than 7 calendars from the date of the receipt of the step one decision.

c. Formal Step Two

(1) Within 7 days of receiving the step one decision, or in the event such response was not received within the specified time-frame, the employee may continue the attempt to resolve the grievance by filing a written grievance to the next level of the chain of command.

(2) If Step two is used by the grievant, the step one manager will provide the step two manager with all available information concerning the grievance. The step two official may use any means to gather relevant information in order to arrive at the facts of the case, e.g., appointment of a fact finder, or a review of the case as presented. Based on the review of the grievance issue(s), the step two official shall issue a written response of the findings and decision to the employee. The step two official's decision is the final Navy decision. The step two official should provide the grievant with a written decision within 90 days of receipt of the grievance. Figure E-2 is a sample response from the step two manager.

d. The step one or two deciding official may personally investigate the grievance or designate a grievance investigator or fact finder who has not been involved in the grievance to conduct an investigation of the grievance.

e. NAVPERSCOM (PERS-65) is not a party to step one or step two unless the grievance involves an action taken by NAVPERSCOM (PERS-65).

f. Employees do not have a right to a formal hearing under the grievance process, (i.e., a hearing presided over by a hearing officer during which witnesses/affidavits may be used and a comprehensive transcript of proceedings recorded.)

8. Grievance File. A grievance file will be established and maintained by the servicing personnel office and must contain all documents related to the grievance.

9. Regulatory interpretation. When the only issue in a grievance involves the interpretation of a regulation or policy, the proponent of the regulation or policy may be requested to provide interpretation and decision.

10. Issues previously decided. If an employee attempts to grieve an issue that was decided in an earlier grievance by the same employee, the previous decision will be cited and the grievance rejected.

SAMPLE MWR DIRECTOR'S RESPONSE TO EMPLOYEE'S GRIEVANCE

From:
To:

Subj: RESPONSE TO GRIEVANCE

Ref: (a) Your written grievance of xx xxxxx xxxx

1. This letter is written in response to reference (a) in which you addressed your grievance concerning the lack of adequate heating in your work area, and requested that I take steps to provide a more habitable work environment.

2. I recently visited your work area and found that it is, indeed, a cold place to work in that a door opens directly into your work area allowing wind and cold to enter directly into the building. The Public Works Department has told me that the situation can be remedied by the placement of a storm door. Unfortunately the state of the MWR department's budget is such that I cannot afford such corrective action at this time. Instead, I will provide "spot" office heaters, and plan to have such in place within a 2-week period.

3. If you feel that I have not properly resolved your grievance, you may grieve my decision to the CO, via my office, no later than 7 calendar days from the date of receipt of this letter. Your grievance must be in writing and contain a clear description of your grievance along with a summary of previous attempts to resolve your grievance, and the specific relief you are seeking.

OR

3. This action resolves the grievance. Your effort to bring this issue to my attention is appreciated.

MWR Director

Figure E-1

SAMPLE RESPONSE FROM CO TO GRIEVANCE OF MWR DIRECTOR'S DECISION

From:
To:

Subj: RESPONSE TO GRIEVANCE

Ref: (a) Your Written Grievance of xx xxxx xxxx

1. In reference (a), you pursued your grievance that you feel was unsuccessfully resolved by this activity's MWR Director.

2. I have had your complaint investigated. The investigation included a visit by an assigned investigator to your work area. As a result of such investigation, I found that your grievance is more than reasonable and represents an issue that will be resolved. I have directed immediate action for the placement of a storm door in your work area. Until the storm door is put in place, employees assigned to your current work area will be temporarily moved to other, more habitable, work sites.

3. My decision on this matter represents the Navy’s final decision on your grievance.

Commanding Officer

Figure E-2

Appendix F
Portability of Benefits Program

1. Background. This appendix is applicable to NAF and civil service personnel who move between NAF and civil service positions without a break in service with DOD.

a. A "Portability of Benefits for Moves Between Civil Service and Nonappropriated Fund Employment Systems" reference guide is available at http://www.cpms.osd.mil. Each NAFI should download a copy of the guide for reference.

b. To date, there are several laws that impact the portability of benefits.

(a) The NAFI Retirement Credit Act of 1986, P.L. 99-638

(1) provides CSRS credit for former NAF service.

(2) requires that NAF service be in certain MWR positions after 18 June 1952 and before 1 January 1966. This primarily affected Army NAF employees in recreation, youth activities, and arts and crafts positions who were covered by a NAF retirement system.

(b) The Portability of Benefits for NAF Employees Act of 1990, P.L. 101-508

(1) permits employees to remain in civil service or NAF retirement plan when they move between APF and NAF employment systems.

(2) covers moves between DOD NAF and DOD APF positions on or after 1 January 1987 without a break in service of more than 3 days.

(3) required employees to be vested (5 years in retirement plan).

a. Does not permit CSRS and FERS credit for former NAF service.

b. Enacted primarily to assist DOD employees affected by the 1 January 1987 Congressionally directed restructuring of the MWR program.

(c) FY 96 Defense Authorization Act, P.L. 104-106, section 1043

(1) expands the 1990 Portability Act retirement election coverage to cover moves to APF positions outside of DOD and to cover moves with of break of not more than 1 year for retirement elections only.

(2) provides FERS credit for former vested NAF service retroactively. (For retroactive coverage, move must have occurred on or after 1 January 1966 but before 10 August 1996.).

(3) requires employees be vested in the NAF plan.

a. Does not give a retirement election for employees in CSRS.

b. Does not give a retirement election to individuals already receiving retirement pay.

c. For FERS credit, NAF employer and employee contributions transfer. Within NAVPERSCOM the funds were less than the actuarial present value of the additional annuity so the annuity was reduced accordingly.

(d) FY 2002 Defense Authorization Act, P.L.107-107, sections 1131 and 1132

(1) permits retirement elections without being vested in the retirement system.

(2) permits employees in CSRS and FERS to use prior NAF service not being used for a NAF annuity to qualify for an immediate annuity.

a. The credit for NAF service will not result in a higher CSRS or FERS annuity.

b. The request for NAF service credit is processed when the employee initiates a CSRS or FERS retirement application.

2. A full copy of the initial Portability Act is in DOD 1401.1-M, appendix F.

3. Appointments

a. Involuntary Move. A NAF employee may be eligible for conversion to career or career-conditional employment if the employee is serving in a NAF position on the date the position is brought into the competitive service and the agency determines this is a "continuing" position. Personnel actions will be processed per appropriate civil service rules. A civil service employee whose position is abolished and reestablished as a NAF position will be afforded RIF rights per civil service rules.

b. Voluntary Move. Regardless of the direction of the move, the normal appointment procedures of the gaining employment system apply.

4. Pay Provisions for Moves to Civil Service Positions

a. Setting Basic Pay Upon Movement from any NAF Position to a General Schedule Position

(1) Involuntary Move

(a) Pay will be set at a rate within the grade to which moved that is not less than the employee's rate of basic pay under the NAF system immediately prior to the move. In determining the last rate of basic pay, a saved pay rate to which the employee was entitled under the NAF system will apply, as well as pay received in a NAF special rate position. Additions to pay such as night shift, environmental differential, and other premium payments are excluded from consideration as basic pay. Basic pay may not be set above the maximum of the grade to which moved, except as provided in (b) below.

(b) Grade and pay retention benefits apply where the involuntary move resulted in a reduction in grade or pay. Grade and pay retention benefits will be administered per appropriate GS regulations.

(c) Prior to moving an employee from NAF Pay band, Level 5, to a General Schedule position, the NAF activity will determine if an adjustment in NAF pay is necessary. Adjustments in NAF pay will be effected, where necessary, to ensure the maximum rate of pay retained in the move will not exceed the rate of pay for a GS-15, step 10 for the position and geographical area to which moved.

(2) Voluntary Move. Basic pay may be fixed at either

(a) the minimum rate of the appropriate grade.

(b) at any step of that grade which does not exceed the employee's HPR of NAF basic pay. Determination of HPR will be per appropriate GS regulations.

b. Setting Basic Pay upon Movement from a NA, NL, or NS NAF C&T Position to a Civil Service Wage Schedule Position

(1) Involuntary Move

(a) Subject to applicable promotion regulations, pay may be set at either the employee's existing scheduled rate of pay, or any rate which does not exceed their HPR of pay. If the HPR falls between two rates of the new grade, the higher rate may be paid. The HPR of pay will be computed per appropriate GS regulations.

(b) Grade and pay retention benefits apply where the involuntary move resulted in a reduction in grade or pay. Grade and pay retention benefits will be administered per appropriate GS regulations.

(2) Voluntary Moves. Subject to applicable promotion regulations, basic pay may be set at either

(a) the minimum step rate of grade.

(b) at any rate of the new grade that does not exceed the employee's HPR of pay. If the employee's HPR falls between two rates of their grade, the higher rate may be paid. The HPR of pay will be computed per applicable GS regulations.

5. Crediting of Service in Waiting Periods for Within-grade Step Increases (Involuntary and Voluntary Moves)

a. NAF to Civil Service General Schedule Moves

(1) NAF service will be credited toward the period of service required for step increases in the General Schedule.

(2) OPM regulations will apply in determining whether an employee previously in a NAF pay band position has received an equivalent increase for within-grade increase determinations.

b. NAF to Civil Service Wage Schedule Moves

(1) NAF NA, NL, and NS service will be credited toward the period of service required for step increases.

(2) NAF service in UA, AS, PS, or pay band positions are not creditable.

6. Crediting of Service Toward Time-in-Grade Requirements for Promotion (Involuntary and Voluntary Moves)

a. NAF to Civil Service Moves. NAF service will be credited in the General Schedule per appropriate GS regulations.

7. Crediting of Time-in-Service in Computing Severance Pay (Involuntary and Voluntary Moves)

a. NAF to Civil Service Move. The authority to credit NAF service when computing civil service severance pay is authorized.

b. Civil Service to NAF Move. Civil service employment may be credited in the computation of NAF severance pay.

8. Retirement

a. As soon as the servicing NAF personnel office is aware that an APF employee is changing from an APF to a NAF position the following actions shall be taken:

(1) A letter similar to the one at the end of this appendix shall be sent to the servicing APF HRO. This letter has the TSP-19, Transfer of TSP information between agencies and the RI 38-144 (April 2002), Election to Retain CSRS, CSRS Offset or FERS Retirement, as enclosures. The NAF personnel specialist shall insure that these enclosures are properly completed and returned by the APF HRO before the individuals first day of employment. An HRO POC should be identified in case further information is needed.

(2) The employee will be informed that they need to bring a copy of their last SF-50, last leave and earnings statement, a copy of their latest TSP-1 (8/2002), TSP Election Form and a copy of any TSP loan notifications to the NAF personnel office on their first day of NAF employment. If the employee does not have these, the employee should obtain them from the APF HRO.

(3) On the first day of NAF employment the employee shall complete a new TSP-1 with the same deductions as they were when employed in the APF system. Changes can be made during TSP open seasons.

(4) A copy of all of the documents in (2) and (3) above will be filed in the OPF and faxed to NAVPERSCOM (PERS-653) before the pay period ends. NAVPERSCOM (PERS-653) will transmit getting the information to TSP as soon as verification is received that the deductions have been made.

(5) Ensure the employee's CSRS or FERS and TSP deductions are input into payroll in time to be deducted in the employee's first NAF pay check.

b. Failure to perform the above steps within the time frames indicated may result in a lapse in retirement deductions as well as default on any TSP loans.

c. Employee Contribution to Plan when the Employee Elects to Retain Membership in the Plan of the Losing Employment System. The employee contribution to the defined benefits plan will be determined in the same manner as it is determined for the other employees in the plan. The gaining employer will remit the employee's contribution to the plan, including FERS TSP contributions, where applicable.

d. Employer Contribution to Plan When its Employee has Retained Membership in the Plan of the Losing Employment System

(1) NAF Employer Contribution to Defined Benefit Part of FERS. The contribution will be the "normal cost percentage" of basic pay determined by OPM under 5 U.S.C., 8423. Also, social security payments are made for employees in FERS.

(2) NAF Employer Contribution to TSP. The contribution will be a minimum of 1 percent of basic pay regardless of whether the employee contributes; and additionally, if the employee does contribute, the employer will match the employee's contribution dollar for dollar for the first 3 percent of pay contributed and $.50 on the dollar for the next 2 percent of pay contributed. (Note: CSRS and CSRS Offset participants may contribute to the TSP but no employer matching contribution is permitted.)

(3) NAF Employer Contribution to CSRS. The employer contribution for the NAF employee in the CSRS will be calculated in exactly the same way as the agency contribution for a civil service employee in CSRS. Also, social security payments are not made for employees in CSRS, but are made for employees in CSRS Offset.

(4) Civil Service Employer Contribution to the Respective NAF Retirement Plan. The actual contribution for the civil service employee in the NAF plan will be calculated in exactly the same way as the actual contribution for a NAF employee in the NAF plan.

9. Annual, Sick and Home Leave

a. General Applicability. All provisions are applied exactly the same regardless of whether the move is involuntary

or voluntary, and regardless of the direction of the move, NAF to civil service or civil service to NAF.

b. Transfer of Leave Balance. All leave will transfer without a limit. The employee will be credited with the full amount of leave, even in those cases where the employee may receive a higher rate of pay from the gaining employment system. The employee may not "cash-in" any portion of the leave balance and be paid for accumulated hours. Leave will be administered per rules of the gaining system. If for some reason DFAS pays off the annual leave, the employee must work through DFAS and repay the money before receiving credit for the annual leave.

c. Transfer of Funds. There will be no transfer of funds.

d. Annual Leave Accrual Rate. Service in the losing employment system will be credited in determining the appropriate leave accrual rate.

10. Health and Life Insurance

a. NAF to Civil Service (Involuntary and Voluntary Moves)

(1) Employee Coverage. Employees may not elect to remain in NAF health or life insurance plans. Employees may enroll in the Federal Employees Health Benefits (FEHB) program/Federal Employees Group Life Insurance (FEGLI) Program per appropriate GS regulations. The employee's NAF health benefits coverage will be extended without charge to the employee for 31 days or until the employee becomes covered by FEHB, whichever comes first.

(2) Retiree Coverage. Participation in the FEHB after retirement does not depend on retirement from FERS or CSRS if the employee retires from a NAF plan because the portability law includes the NAF retirement plans as a" qualifying plans".

b. Civil Service to NAF Move

(1) Employee Coverage

(a) Voluntary Move. Employees may not elect to retain membership in the FEHB Program/FEGLI Program. Normal NAF coverage rules would apply. If normal rules are applied, then

employees should be advised before actual employment whether or not they will be eligible for health and life insurance benefits. This is important since it is likely that many employees will have the misconception that if they have civil service benefits, then, under the idea of portability, they can voluntarily move to NAF and automatically qualify for NAF benefits coverage.

(2) Retiree Coverage

(a) Involuntary Move. If the employee qualifies for health/life insurance coverage, then the employee, regardless of whether retirement is from a civil service or NAF plan, would qualify for NAF health/life insurance coverage in retirement if they meet the following two conditions: First, the employee must retire under an immediate annuity. Second, the employee must have been continuously enrolled under the NAF group insurance plan since the employee's first opportunity to enroll, or any other normal qualifying dates under the NAF plan, whichever is the shortest period. These are the only conditions that will be applied.

(b) Voluntary Move. If the employee qualifies for health/life insurance coverage, then the employee would qualify for NAF health/life insurance coverage after retirement per normal rules of the NAF employer with the following exception:

1. Continuous time spent in the FEHB Program/FEGLI Program immediately before the move would be credited toward satisfying the respective NAF qualifying periods.

13. Probation Status (Involuntary and Voluntary Moves)

a. In the following provisions, reference is made to the term "same agency" and "same line of work." The same agency is considered to be the same military agency. Positions are considered to be in the same line of work when the duties performed are similar in nature and character and require substantially the same or similar qualifications.

(1) NAF to Civil Service Moves. All NAF service immediately preceding the move in the same agency, and same line

of work as the position to which the move is made, will be credited in determining probation status.

(2) Civil Service to NAF Move. Where the head of the Component has established a probation system, all APF service in the same agency, and same line of work immediately preceding the move, will be credited in determining probation status.

11. Tenure for NAF to Civil Service

a. Involuntary Move. All continuous non-temporary NAF service immediately preceding the move will be credited in determining career tenure.

b. Voluntary Move. No credit for NAF service will be granted.

SAMPLE LETTER TO HRO OF GS EMPLOYEE MOVING TO NAF
FOR OFFICIAL USE ONLY (WHEN FILLED IN)

12000
_____
_____

From: _____
To: Human Resources Office

Subj: APPOINTMENT/SELECTION OF _____; SSN _____

Encl: (1) TSP 19, Transfer of Information between Agencies
(2) RI38-144, Election to Retain APF Retirement Coverage

1. This is to inform you that _____ has been offered and accepted a Nonappropriated Fund (NAF) position within the _____, effective _____.

2. Department of Defense (DOD) employees, who move between NAF and Appropriated Fund (APF) employment systems without a break in service of more than 3 days, are covered by the Portability Act. Therefore, to assist in a smooth transition and assure that this individual is afforded all benefit entitlements under the Portability Act, the following is provided:

a. The transition must occur without a break in service of more than 3 days.

b. All annual and sick leave balances must be transferred from APF to NAF (lump sum payment of annual leave to the employee and transfer of funds to the gaining activity is prohibited under the Portability Act).

c. TSP enrollment should not be terminated if the selectee elects to remain in FERS.

3. It is essential that these actions be properly coded and processed to assure that DFAS payroll offices do not make lump sum payments of annual leave and do make appropriate payroll

FOR OFFICIAL USE ONLY (WHEN FILLED IN)
Figure F-1

FOR OFFICIAL USE ONLY (WHEN FILLED IN)

deductions as appropriate. Please assure that all personnel involved in coding and processing personnel moves between APF and NAF employment systems are aware of, and comply with, the following information:

a. Defense Civilian Personnel Data System (DCPDS) has a data element called **AFC-TYPE-OF-PAY-CHG-PROJ** that **MUST** be used if the employee moves from AF to NAF. The **DIN** is **ARY** and must be coded with a value of "**R**" (for Rehire). This flag signals payroll that lump sum leave is not to be paid out and that it should be transferred to NAF. Additionally, please make sure that it is annotated on the Remarks Section of SF-52 that **"Employee is resigning to accept a NAF job. All leave balances should transfer under the provisions of the Portability Act".**

4. Enclosures (1) and (2) should be filled out as follows and returned to our office.

a. If employee elects to retain FERS, complete sections A, B, and C of enclosure (1) indicating their enrollment in TSP.

b. Enclosure (2) should be filled out by both your office and the employee per the instructions attached to the election form. Please make sure to inform the selectee of their options relative to retirement election.

5. The point of contact is _____ at DSN _____ or (XXX) XXX-XXXX, Fax No. DSN XXX-XXXX or (XXX) XXX-XXXX. E-mail: _____.

6. Thank you in advance for your assistance.

E. BALLENGER
Head, NAF Personnel & Benefits

FOR OFFICIAL USE ONLY (WHEN FILLED IN)
Figure F-1

Appendix G
Disposition Schedule of Personnel Records

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
1. NAF Official Personnel Folders.	
a. NAFI employees transferred to another Nonappropriated Fund Instrumentality.	When an employee is transferred, their folder will be sent directly to the gaining activity.
b. Separated NAF employees: Folders of all U.S. citizens and non U.S. citizens except local nationals wherever employed.	Transfer folder to National Personnel Records Center (NPRC), 9700 Page Blvd St Louis, MO 63132-5100, 1 year after separation. NPRC will destroy 75 years after birth date of employee or 60 years after the date of the earliest document in the folder if the date of birth cannot be ascertained provided the employee has been separated for at least 5 years. If re-employed during authorized retention period, forward folder to gaining personnel activity upon request.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
2. Service Record Cards.	Destroy 3 years after termination of employment.
3. Personnel Correspondence and Subject Files.	
a. Files relating to the general administra including college programs, selective placement advertising, executive development programs, me not specifically described elsewhere in this sc levels.	Destroy when 3 years old.
b. Correspondence, reports, memoranda, and other records relating to employment programs and functions, and manpower management and evaluation, including experts and consultants, overseas employment, reemployment rights, and employee transfer and detail.	Destroy when 5 years old.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
4. Offers of Employment Files. Correspondence, letters, and facsimiles offering appointments to potential employees.	
a. Accepted offers.	File in OPF.
b. Declined offers.	File with Employment Application. (See item 12.)
5. Employee Record Cards. Employee record cards used for informational purposes outside personnel offices	Unless separated by RIF or removal action, destroy on separation or transfer of employee If separated by RIF or a removal action with pending appeal, transfer card to Grievance, Disciplinary, and Adverse Action Files (item 23.)
6. Position Classification Files.	
a. Position Classification Standards Files. Standards determining title, series HQ HROs and grade based on duties, Responsibilities and qualifications requirements.	Destroy 5 years after cancellation, revision or supersession.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
b. Standards Development. Memoranda, correspondence and other records relating to the development of standards for classification of positions peculiar to the agency.	
(1) Case file.	HQ. HRO's: Destroy 5 years after cancellation, revision, or supersession.
(2) Review file.	HQ HRO's: Destroy 5 years after cancellation, revision, or supersession.
c. Position Descriptions. Files describing established positions including information on title, series, grade, duties and responsibilities.	
(1) Record copy.	Destroy 6 years after position is abolished or description superseded.
(2) All other copies.	Destroy when position is abolished or description superseded.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
d. Survey Files. Classification Survey Reports. Survey reports on various positions prepared by classification specialists, including any periodic reports.	
(1) Office of origin.	If not used as a request for personnel action, destroy when 3 years old, superseded, or upon inactivation.
(2) Inspection, Audit, and Survey Files. Correspondence, memoranda, reports, and records relating to inspections, surveys desk audits and evaluations.	If not used as a request for personnel action, destroy when 3 years old, superseded or upon other revision.
e. Appeals Files. Case files relating to classification appeals.	Destroy 5 years after final decision or 5 years after any action following decision, whichever is later.
7. Interview Records. Correspondence, reports and other records relating to interviews with Employees.	Destroy 6 months after transfer or separation of employees.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
8. Employee awards records.	
a. General awards records.	
(1) Case files including recommendations, approved nominations, memoranda, correspondence, reports and related handbooks pertaining to cash and non-cash awards such as cash awards, pay increases, suggestions, and out-standing performance.	Destroy 2 years after close of year in which final action is taken.
(2) Correspondence or memoranda pertaining to awards from other government agencies or private organizations.	Destroy when 2 years old.
b. Length of Service Awards Files. Records including correspondence, memoranda, reports, computations of service, and list of awardees.	Destroy when 1 year old.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
c. Letters of Commendation and Appreciation. Copies of letters recognizing length of service and retirement and letters of appreciation and commendation for performance, EXCLUDING copies filed in the OPF.	Destroy when 2 years old.
d. List or Index to Agency Award Nominations. List of nominees and winners and index of nominations.	Destroy when superseded or obsolete.
9. Incentive Awards Program-Reports. Reports pertaining to the operations of the incentive awards program.	Destroy when 3 years old.
10. Notification of Personnel Action. Forms documenting employment, promotions, transfer (in or out), separation, and all other individual personnel actions, exclusive of those in NAFI OPFs.	
a. Chronological file copies, including fact sheets, maintained in personnel offices.	Destroy when 2 years old.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
b. All other copies maintained in personnel offices.	Destroy when 1 year old.
11. Employment Applications. Applications and related records, EXCLUDING applications resulting in appointment, which are filed in the NAFI OPF (See Item 1).	Destroy when 2 years old.
12. Personnel Operations Statistical Reports. Statistical reports in the operating personnel office and subordinate units relating to personnel.	Destroy when 2 years old.
13. Correspondence and Forms Files. Operating personnel office records relating to individual employees not maintained in NAFI OPFs and not provided for elsewhere in this schedule.	
a. Correspondence and forms relating to pending personnel actions.	Destroy when action is completed.
b. Retention Registers.	

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
(1) Registers from which reduction-in-force actions have been taken.	Destroy when 2 years old.
(2) Registers from which no reduction-in-force actions have been taken.	Destroy when superseded or obsolete.
c. All other correspondence and forms.	Destroy when 6 months old.
d. Wage Administration records that constitute the basis for personnel actions that may require reconstruction at a later date.	Destroy upon termination of wage system life.
14. Duplicate Documentation and Personnel Files Maintained Outside Personnel Offices.	
a. Supervisor's Personnel Files. Correspondence, memoranda, forms and other records relating to positions, authorizations, or obsolete documents or pending actions; copies of position descriptions; requests for personnel action and records on individual employees duplicated in or not appropriate for the NAFI OPF.	Review annually and destroy when superseded or destroy all documents relating to an individual employee 1 year after separation or transfer.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
b. Duplicate Documentation. Other copies of documents duplicated in NAFI OPFs not provided for elsewhere in this schedule.	Destroy when 6 months old.
15. Performance Appraisal Records.	
a. Annual Performance Ratings.	Destroy when 2 years old.
b. General or case files of forms, memoranda, and correspondence.	Destroy when 3 years old.
c. Appeals Files. Memoranda, correspondence and other records relating to employee appeals of performance rating.	Destroy 3 years after final settlement of case.
16. Conflict of Interest Case File. Statements of employment and financial interests and related records.	Destroy 3 years after separation of employee or 5 years after employee leaves the position for which the statement is required.
17. Equal Employment Opportunity Records.	

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
a. Official Discrimination Complaint Case Files. Complaints with related correspondence, reports, exhibits, withdrawal notices, copies of decisions, records of hearings and meetings, and other records as described by 5 CFR 713.222.	Destroy 4 years after resolution of case.
b. Copies of Complaints Case Files. Duplicate case files or documents pertaining to case files retained in Official File Discrimination Complaint Case File.	Destroy 1 year after final resolution of case.
c. Background Files. Background records not filed in the Official Discrimination Complaint Case Files.	Destroy 2 years after final resolution of case.
d. Compliance Records.	
(1) Compliance Review Files. Reviews, background papers and correspondence relating to contractor employment practices.	Destroy when 7 years old.
(2) EEO Compliance Reports.	Destroy when 3 years old.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
e. Employee Housing Requests. Forms requesting agency assistance in housing matters, such as rental or purchase.	Destroy when 1 year old.
f. Employment Statistics Files. Employment statistics relating to race and sex.	Destroy when 5 years old.
g. EEO General Files. General correspondence and copies of regulations with related records pertaining to the Civil Rights Act of 1964, the EEO Act of 1972, and any pertinent future legislation; and agency EEO Committee meeting records including minutes and reports.	Destroy when 3 years old, or when superseded or obsolete, whichever is applicable.
h. EEO Affirmative Action Plan (AAP).	
(1) Agency copy of consolidated AAP(s).	Destroy 5 years from date of plan.
(2) Agency feeder plan to consolidated AAP(s)	Destroy 5 years from date of feeder plan or when administrative purposes have been served.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
18. Personnel Counseling Records	
a. Counseling files. Reports of interviews, analyses and related records.	Destroy 3 years after termination of counseling.
b. Alcohol and Drug Abuse Program. Records created in planning, coordinating and directing an alcohol and drug abuse program.	Destroy when 3 years old.
19. Standards of Conduct Files. Correspondence, memoranda and other records relating to code of ethics and standards of conduct.	Destroy when obsolete or superseded.
20. Labor Management Relations Records.	
a. Labor Management Relations-General and Case Files. Correspondence, memoranda, reports and other records relating to the relationship between management and employee unions or other groups:	
(1) Office negotiating agreement.	Destroy when superseded, obsolete, or no longer needed for reference.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
(2) Other offices.	Destroy when superseded or obsolete.
b. Labor Arbitration-General and Case Files. Correspondence, forms and background papers relating to labor arbitration cases.	Destroy 5 years after final resolution of case.
21. Training Records	
a. Training Aids.	
(1) Manuals, syllabi, textbooks, and other training aids developed by the agency for NAF employees.	Destroy when obsolete or superseded.
(2) Training aids from other agencies or private institutions.	Destroy when obsolete or superseded.
b. General File of Agency Sponsored Training.	

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
(1) Correspondence, memoranda, agreements, authorizations, reports, requirement reviews, plans, and objectives relating to the establishment and operation of training courses and conferences.	Destroy when 5 years old or upon 5 year's completion of a specific training program.
(2) Background and work papers.	Destroy when 3 years old.
c. Employee Training. Correspondence, memoranda, reports, and other records relating to the availability of training and employee participation in training programs sponsored by other government agencies or non-government institutions.	Destroy when 5 years old or when superseded or obsolete whichever is sooner.
d. Course Announcement Files. Reference file of pamphlets, notices, catalogs and other records, which provide information on courses or programs offered by government or non-government organizations.	Destroy when superseded or obsolete.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
22. Grievance, Disciplinary and Adverse Action Files.	
a. Grievance, Appeals Files. Records originating in the review of grievance and appeals raised by agency employees, except EEO complaints. These case files include statements of witnesses, reports of interviews, and hearings, examiner's findings and recommendations, a copy of the original decision, related correspondence and exhibits, and records relating to a reconsideration request.	Destroy 3 years after case is closed.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
b. Adverse Action Files (5 CFR 752). Case files and related records created in reviewing an adverse action (disciplinary or non-disciplinary removal, suspension, LWOP, reduction-in-force) against an employee. The file includes a copy of the proposed adverse action with supporting papers; statements of witnesses; employee's reply; hearing notices, reports and decision; reversal of action; and appeal records, EXCLUDING letters of reprimand.	Destroy 4 years after case is closed.
23. Personal Injury Files. Forms, reports, correspondence, and related medical and investigative records relating to on-the-job injuries, whether or not a claim for compensation was made, EXCLUDING copies filed in the OPF and copies submitted to the DOL.	Destroy when 5 years old.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
24. Temporary Records Relating to Promotions. Records relating to the promotion of an individual that document qualification standards, evaluation methods, selection procedures, and evaluations of candidates, EXCLUDING any records that duplicate information in the promotion plan, in the OPF, or in other personnel records.	Destroy 2 years after the personnel action or after the action has been audited, whichever is sooner.
GENERAL MORALE AND PERSONAL AFFAIRS RECORDS	
1. General Correspondence Files. Files relating to the operation and administration of morale and personal affairs matters including recreation and social affairs, informational services, commercial on-base solicitation, ID card determination, and entitlement for dependent's aid, civil readjustment and veterans affairs, athletic competitions, publishing of station papers, hobby craft, etc. (Excludes correspondence required to be filed in the OPF.)	Destroy when 3 years old.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
2. Alphabetical (Name) Files. Files consisting of correspondence with individuals, dependents, and other interested parties relating to individual personal affairs matters. (Excludes correspondence required to be filed in the OPF.)	
a. Routine Inquiries and Requests.	Destroy when 6 months old.
b. All other Files.	Destroy when 2 years old.
3. Correspondence and Records of Personal Commercial Affairs Solicitations. Files concerning violation incident data, denial data, letters of application for solicitation privileges, letters of accreditation, appeal data, and other support documents.	Retain on board. Destroy when 4 years old or purpose served, whichever is earlier.
4. Dependents' Service and Support. Files include items such as Dependent Scholarship Program Applications, Transcript Request Forms, Applications for Uniformed Service Identification and Privilege Cards, and Newsletters.	Destroy when 1 year old.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
RECREATION AND SOCIAL AFFAIRS RECORDS	
5. General Correspondence. Files pertaining to the operation and administration of recreational facilities and activities (other than financial).	Destroy when 2 years old.
6. Policy Papers/Precedent Files. Files relating to recreation activities such as instructions, directives, and other documents; establishing policies, procedures, and precedents for operation, review, etc., of morale, welfare, and recreation facilities, activities, and programs.	
a. Records Concerning On-going Actions of the Nonappropriated Fund Instrumentality. Letters of authorization to commence operations, change in mission, permanent waiver to regulations, etc.	Retain on board. Transfer to nearest FRC when no longer needed. Destroy when 10 years old.
b. Other Records.	Retain on board. Destroy when rescinded or superseded.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
7. Studies, Analyses, and Summaries.	Destroy when 3 years old.
8. Other Reports. Files not covered elsewhere (minutes of meetings, inspections, reviews, etc.)	Destroy when 2 years old.
NAF FINANCIAL RECORDS	
9. Records Accumulated by MWR Facilities and Activities Financed from NAF, such as, but not Limited to, Clubs, Exchanges, Snack Bars, etc.	
a. Financial Administration Records of NAF Activities. All records relating to financial administration, including financial statements and reports, checkbooks, journals, vouchers, balance sheets, and other books and records of accounts.	Destroy when 3 years old.
b. Chapters, Constitutions, By-Laws, and Similar Records. Files which document the authorization and establishment of the activity.	Retain on board. Destroy 3 years after supersession or cancellation.

ITEM # DESCRIPTION OF RECORDS	AUTHORIZED DISPOSITION
c. Administrative Records. General correspondence files, including reports, minutes of meetings, and other papers relating to the operation of the activity.	Destroy when 2 years old.
d. Employees' Individual Earning Records. Earning records or other similar summary records of individual employees' earnings.	Retain on board. Place in inactive file when individual leaves activity's employment; transfer inactive files in annual blocks to NRPC, CPR, 111 Winnebago St., St. Louis, MO. Destroy 10 years after employment is terminated.
e. Exchange, Civilian NAFI and BQ/VQ NAFI Records.	Apply 9.a-d, whichever is appropriate.
f. Recreation Fund and Messes and Clubs Records.	Apply 9.a-d, whichever is appropriate.
g. Periodic Listing or Other Reports of NAF Activities.	Destroy when 2 years old.

Appendix H
Forms

1. The following forms are available from the GSA Federal Supply System through normal supply procurement procedures and at http://www.dior.whs.mil/icdhome/forms.htm:

a. DD 1172-2 (OCT 2002), Application for DOD Common Access Card DEERS Enrollment

b. DD 1351 (JUL 1999), Travel Voucher.

c. DD 1556 (AUG 2002), Request Authorization, Agreement, Certification of Training and Reimbursement.

d. DD 1610 (JAN 2001), Request and Authorization for TDY Travel of DOD Personnel.

e. DD 1617 (NOV 1999), Department of Defense (DOD) Transfer of Civilian Employees Outside CONUS (OCONUS) Transportation Agreement.

f. DD 2793 (FEB 2002), Volunteer Agreement for Appropriated Fund Activities and Nonappropriated Fund Instrumentalities.

2. The following Department of Labor forms are available at http://www.dol.gov/esa/owcp.dlhwc/lsforms.htm:

a. DOL LS-1 (Rev. May 1998), Request for Examination and/or Treatment.

b. DOL LS-202 (Rev. Oct 1998), Employer's First Report of Injury or Occupational Illness.

c. DOL LS-204 (Rev. May 1998), Attending Physician's Supplementary Report (Longshore and Harbor Worker's Compensation Act, as extended).

d. DOL LS-210 (Rev. Oct 1998), Employer's Supplementary Report of Accident or Occupational Illness.

e. DOL LS-242. This form is provided annually to all installations from NAVPERSCOM (PERS-653).

3. The following form is available from State employment security offices. This form is initiated by the employment security office with jurisdiction to obtain information to process unemployment claims. Activities should not need to initiate this form. ES-931, Request for Wage and Separation Information.

4. The following form is available at http://www.ins.gov/graphics/index.htm: INS I-9 (21 Nov 91), Employment Eligibility Verification.

5. The following forms are available from the Internal Revenue Service (IRS) Forms Distribution Center or may be downloaded from the IRS web site: http://www.irs.gov/form_pubs/forms/html:

a. IRS 1099, Miscellaneous Income.

b. IRS 4070, Employee's Report on Tips.

d. W-4, Employee's Withholding Allowance Certificate.

6. The following forms are available in the Naval Inventory Control Point using requisition procedures contained in CD-ROM NAVSUP PUB 600 (NLL), Navy Stock List of Publications and Forms or at http://forms.daps.mil/order/:

a. NAVPERS 5300/14 (Rev. 03-03), Request for Nonappropriated Fund (NAF) Folders.

b. NAVPERS 5300/17 (Rev. 03-03), Navy Nonappropriated Fund Employee Performance Rating Form.

c. NAVPERS 5300/18 (03-03), Leave Option Statement Form for NAFI Worker’s Compensation Claim Benefits.

d. NAVPERS 5314/2 (Rev. 4-94), Personnel Action Report.

e. NAVPERS 12300/18 (03-03), New Employee Indoctrination Check List.

f. NAVPERS 12300/23 (01-03), Additional Data Sheet PERS-65

g. NAVPERS 12630/1 (01-03), NAF Request for Leave or Approved Absence.

h. NAVPERS 12630/2 (8-72), NAF Employee Leave Record.

i. NAVPERS 12800/1 (02-03), Beneficiary Address and Marital Status Designation and Change Form

j. NAVPERS 12800/2 (02-03), NAVPERSCOM NAF Group Benefits Enrollment Form.

k. NAVSO 4650/10 (Rev. 8-72), Department of the Navy Invitation Travel Order.

7. The following forms are available at

http://www.gsa.gov/Portal/content/offerings_content.jsp?contentOID=116369&contentType=1004&P=1&S=1:

a. OF-8 (01/1985), Position Description.

b. OF-612 (09/1994), Optional Application for Federal Employment.

8. The following form is available at http://www.opm.gov/forms/html/opm.asp: OPM 1635 (Rev. April 1997).

9. The following form may be ordered online at http://forms.daps.mil/order/: OPNAV 5040/4 (Jul 1987), Navy Hotline Poster.

10. The following forms are available at http://www.opm.gov/asd/pdf/2002/02-102E.pdf: RI 38-144 (April 2002), Election to Retain CSRS, CSRS Offset or FERS Retirement as a Result of a Move from a Civil Service Position to a NAF Position on or after 28 December 2001 and RI 38-134 (April 2002), Election to Retain Nonappropriated Fund Retirement.

11. The following forms are available at http://www.gsa.gov/Portal/formslibrary.jsp:

a. SF-8 (06/1987), Notice of Federal Employee About Unemployment Insurance.

b. SF-52 (07/1991), Request for Personnel Action.

c. SF-78 (Rev. 10-69), Certificate of Medical Examination, S/N 7540-00-634-4027 can be ordered by calling GSA at (817) 978-2051.

d. SF-85P (09/1995), Questionnaire for Public Trust Position.

e. SF-181 (05/1982), Race and National Origin Identification.

f. SF-256 (08/1987), Self Identification of Handicap.

g. SF-813 (08/1994), Verification of a Military Retiree's Service in Nonwartime Campaigns or Expeditions.

12. The following form is available at http://www.tsp.gov/forms/index-forms.html:

a. TSP-1 (8/2002) Thrift Savings Plan Election Form.

b. TSP-19 is a bulletin and may be obtained by contacting NAVPERSCOM (PERS-653).

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