



DEPARTMENT OF DEFENSE



Defense Civilian Personnel Advisory Service

Portability of Benefits Reference Guide

**For Moves between Civil Service and
Nonappropriated Fund Employment Systems**

February 26, 2021

TABLE OF CONTENTS

| | |
|---|----|
| SECTION 1: INTRODUCTION | 7 |
| 1.1. Purpose..... | 7 |
| 1.2. Background..... | 7 |
| 1.3. Portability of Benefits Provisions Under Current Law and Regulation. | 8 |
| a. Retirement Portability..... | 9 |
| b. Pay and Benefits Other Than Retirement. | 9 |
| 1.4. Structure of Reference Guide..... | 9 |
| APPENDIX 1A: CHRONOLOGY OF PUBLIC LAWS ON PORTABILITY OF BENEFITS | 11 |
| 1A.1. The Non Appropriated Fund Instrumentalities Employees’ Retirement Credit Act of 1986, P.L. 99-638..... | 11 |
| 1A.2. Portability of Benefits for NAF Employees Act of 1990, P.L. 101-508, Section 7202. | 11 |
| 1A.3. FY96 National Defense Authorization Act, P.L. 104-106, Section 1043..... | 11 |
| 1A.4. FY02 National Defense Authorization Act, P.L. 107-107, Sections 1131 and 1132. . | 12 |
| APPENDIX 1B: KEY BENEFITS AT TIME OF MOVE | 13 |
| SECTION 2: HUMAN RESOURCES OFFICE (HRO) RESPONSIBILITIES..... | 14 |
| 2.1. General..... | 14 |
| 2.2. The Losing (Separating) HRO (Civil Service or NAF)..... | 14 |
| 2.3. The Appointing HRO (Civil Service or NAF)..... | 15 |
| SECTION 3: PROCESSING SEPARATIONS AND APPOINTMENTS WHEN AN EMPLOYEE MOVES BETWEEN CIVIL SERVICE AND DoD NAF POSITIONS | 18 |
| 3.1. General..... | 18 |
| 3.2. Separations..... | 18 |
| a. DoD NAF Employees Moving to a DoD Civil Service Position..... | 18 |
| b. DoD Civil Service Employees Moving to a DoD NAF Position..... | 19 |
| 3.3. Appointments..... | 21 |
| a. The DoD/OPM Interchange Agreement. | 21 |
| b. Appointment Authorities Used in Voluntary Moves..... | 22 |
| c. Appointment Authorities Used in Involuntary Moves..... | 22 |
| d. Priority Placement Program (PPP) Exemptions for NAF to Civil Service Conversion. | 23 |
| e. Credit towards Civil Service Career Tenure..... | 23 |
| f. Probationary Periods..... | 23 |
| g. Application of Voluntary Separation Incentive Pay Reemployment Restrictions..... | 23 |
| h. Hiring CSRS/FERS or NAF Retirees..... | 24 |
| i. Use of a Merged Record Personnel Folder (MRPF)..... | 24 |
| j. Appointment Documentation..... | 24 |
| APPENDIX 3A: DOD NAF DOCUMENTATION | 26 |
| SECTION 4: SETTING INITIAL PAY | 27 |
| 4.1. General..... | 27 |
| 4.2. DoD NAF to DoD Civil Service without a Break in Service of more than Three Days..... | 27 |
| a. Moves from NAF to GS..... | 27 |
| b. Moves from NAF to Civil Service Wage Grade..... | 28 |

| | |
|---|-----------|
| 4.3. DoD Civil Service to DoD NAF without a Break in Service of more than Three Days. | 28 |
| a. Moves from Civil Service to NAF Payband. | 28 |
| b. Moves from Civil Service to NAF CT. | 28 |
| SECTION 5: PORTABILITY/SERVICE CREDIT OF BENEFITS OTHER THAN RETIREMENT | 30 |
| 5.1. Creditable Service Towards GS Within Grade Increases. | 30 |
| 5.2. Creditable Service Towards GS Time-In-Grade. | 30 |
| 5.3. Recruitment and Relocation Incentives. | 30 |
| 5.4. Travel, Transportation, and Relocation Expenses. | 30 |
| a. DOD NAF to DOD Civil Service. | 30 |
| b. DOD Civil Service to DOD NAF. | 31 |
| 5.5. Leave Transfer. | 31 |
| 5.6. Annual Leave Credit. | 31 |
| 5.7. Reduction in Force (RIF)/Business Based Action (BBA). | 32 |
| 5.8. Severance Pay. | 32 |
| a. Determining Creditable Service. | 32 |
| b. Limitation on Payment of Severance Pay. | 32 |
| 5.9. Health and Life Insurance. | 32 |
| a. NAF to Civil Service. | 32 |
| b. Civil Service to NAF. | 33 |
| 5.10. Notifying a New Employee of Portability Benefits. | 33 |
| SECTION 6: PORTABILITY OF RETIREMENT COVERAGE - MOVES ON OR AFTER DECEMBER 28, 2001 | 34 |
| 6.1. General. | 34 |
| 6.2. Eligibility Criteria. | 34 |
| 6.3. Determining if an Employee is Eligible for a Retirement Coverage Election. | 34 |
| 6.4. Retirement Coverage Elections. | 35 |
| 6.5. Employer and Employee Contributions and Deductions. | 36 |
| a. Election to Retain NAF Retirement Plan. | 36 |
| b. Election to Retain CSRS or FERS. | 37 |
| 6.6. Documenting the Election. | 38 |
| a. Moves from NAF to Civil Service. | 38 |
| b. Moves from Civil Service to NAF. | 39 |
| 6.7. Time Limit for Making an Election. | 40 |
| 6.8. Effective Date of Election. | 40 |
| 6.9. Effect of Retirement Coverage Election. | 40 |
| a. Election not to Retain Coverage. | 40 |
| b. Election to Retain Coverage. | 40 |
| 6.10. Annuitants' Eligibility for Retirement Coverage Elections. | 41 |
| a. General. | 41 |
| b. Retirement Coverage Elections. | 41 |
| c. CSRS/FERS Reemployed Annuitants. | 42 |
| 6.11. Death of Employee During Election Opportunity Period. | 42 |
| 6.12. Employees Who are not Eligible for a Retirement Coverage Election. | 42 |
| APPENDIX 6A: RETIREMENT ELECTION FORMS AND INSTRUCTIONS FOR EMPLOYEES MOVING FROM NAF TO CIVIL SERVICE POSITIONS ON OR AFTER DECEMBER 28, 2001 | 44 |

| | |
|---|----|
| APPENDIX 6B: RETIREMENT ELECTION FORMS AND INSTRUCTIONS FOR EMPLOYEES MOVING FROM CIVIL SERVICE TO NAF POSITIONS ON OR AFTER DEC 28, 2001 | 49 |
| SECTION 7: RETIREMENT PORTABILITY - MOVES BETWEEN CIVIL SERVICE AND DOD NAF POSITIONS PRIOR TO DEC 28, 2001 | 54 |
| 7.1. Eligibility. | 54 |
| 7.2. Regulations and Guidance. | 55 |
| SECTION 8: RETIREMENT PROCEDURES FOR EMPLOYEES WHO RETAINED RETIREMENT COVERAGE | 57 |
| 8.1. NAF Employees Retiring Under CSRS or FERS. | 57 |
| a. General. | 57 |
| b. Processing a NAF Employee’s CSRS Retirement Application. | 57 |
| c. Processing a NAF Employee’s FERS Retirement Application. | 58 |
| d. Disability Retirement (CSRS or FERS) Processing. | 58 |
| e. Electing Credit for Prior NAF Service towards CSRS or FERS Retirement Eligibility. | 58 |
| f. Continuation of Health and Life Insurance in Retirement. | 58 |
| g. Sick Leave. | 59 |
| h. Continuation of Long-Term Care Insurance. | 60 |
| 8.2. DoD Civil Service Employees Retiring Under a NAF Retirement System. | 60 |
| a. General. | 60 |
| b. Processing a Civil Service Employee’s NAF Retirement Application. | 60 |
| c. Sick Leave. | 60 |
| d. Continuation of Federal Employee Health Benefit (FEHB) Insurance in Retirement. | 61 |
| e. Continuation of Federal Employee Dental and Vision Insurance Program (FEDVIP) Coverage in Retirement. | 62 |
| f. Continuation of Federal Employee Group Life Insurance (FEGLI) in Retirement. | 62 |
| g. Continuation of Long Term Care Insurance in Retirement. | 63 |
| SECTION 9: CREDITING DOD NAF SERVICE FOR CSRS OR FERS IMMEDIATE RETIREMENT - SECTION 1132 OF P.L. 107-107 | 65 |
| 9.1. General. | 65 |
| 9.2. Eligibility. | 65 |
| 9.3. Regulations and Guidance. | 65 |
| 9.4. Effect of Election on CSRS or FERS Annuity. | 65 |
| 9.5. Effect of Election on NAF Retirement Benefit. | 66 |
| APPENDIX 9A: FORMS AND INSTRUCTIONS FOR CREDITING DOD OR COAST GUARD NAF SERVICE FOR CSRS OR FERS IMMEDIATE RETIREMENT | 67 |
| SECTION 10: PROCESSING BENEFITS RELATED TO DEATH OF EMPLOYEES AND RETIREES WHO RETAINED RETIREMENT COVERAGE UNDER PORTABILITY PROVISIONS | 73 |
| 10.1. Death of Active NAF Employee Who Retained CSRS or FERS. | 73 |
| 10.2. Death of Retired NAF Employee Who Retained CSRS or FERS. | 73 |
| 10.3. Death of Active Civil Service Employee Who Retained NAF Retirement Coverage. | 74 |
| 10.4. Death of Retired Civil Service Employee Who Retained NAF Retirement Coverage. | 74 |
| SECTION 11: PROCESSING CORRECTIONS TO RETIREMENT SYSTEM COVERAGE | 76 |
| 11.1. General. | 76 |

| | |
|--|-----|
| 11.2. Correcting Errors Related to Elections to Continue Retirement Coverage after a Qualifying Move..... | 76 |
| 11.3. Correcting Errors in Retirement Coverage Elections Available under the Retroactive Provisions of Section 1043(C)(2), P.L. 104-106. | 77 |
| 11.4. Placement in the Wrong Civil Service Retirement Plan. | 78 |
| APPENDIX 11 A: UNOFFICIAL WORKAROUND FOR DCPDS | 80 |
| SECTION 12: POINTS OF CONTACT | 81 |
| SECTION 13: FREQUENTLY ASKED QUESTIONS | 88 |
| 13.1. Appointment. | 88 |
| 13.2. Credit towards Civil Service Career Tenure. | 90 |
| 13.3. Probationary Period. | 90 |
| 13.4. General Eligibility for Portability of Benefits. | 91 |
| 13.5. Pay..... | 92 |
| 13.6. Portability of Leave Benefits. | 94 |
| 13.7. Health and Life Insurance Benefits..... | 95 |
| 13.8. Eligibility to Retain Retirement Coverage under P.L. 107-107..... | 96 |
| 13.9. Reemployed Annuitant Issues..... | 102 |
| 13.10. Crediting DoD NAF Service for CSRS or FERS Immediate Retirement under Section 1132 of P.L. 107-107. | 105 |
| 13.11. FERS Credit for NAF Service under P.L. 104-106 Retroactive Provisions..... | 106 |
| GLOSSARY | 107 |
| G.1. Acronyms..... | 107 |
| REFERENCES | 109 |
| Tables | |
| Table 1: Key Benefits at Time of Move Between Civil Service and NAF Positions..... | 13 |
| Table 2: DoD NAF Forms/Reports Equivalent to SF-50 | 26 |
| Table 3: DoD NAF Nature of Action (NOA) Codes for Business Based Actions | 26 |
| Table 4: Retirement Election Options for Employees Moving from NAF to Civil Service..... | 35 |
| Table 5: Retirement Election Options for Employees Moving from Civil Service to NAF..... | 36 |
| Table 6: Job Aid to Assist in Determining Eligibility to Retain NAF Retirement Coverage Following a Move to a Civil Service Position on or after December 28, 2001 | 44 |
| Table 7: Job Aid to Assist in Determining Eligibility to Retain CSRS or FERS Coverage Following a Move to a NAF Position on or after December 28, 2001 | 49 |
| Table 8: Job Aid - Eligibility to Credit DoD or Coast Guard NAF Service for CSRS or FERS Immediate Retirement on or after December 28, 2001..... | 67 |
| Table 9: DoD NAF Employment Points of Contact | 81 |
| Table 10: NAF Retirement Plan Points of Contact..... | 82 |
| Table 11: DoD NAF Payroll Points of Contact | 83 |
| Table 12: DoD Agency Points of Contact for Information on Civil Service Benefits | 84 |
| FIGURES | |
| Figure 1: Model Request for Verification that Employee was a Participant in a NAF Retirement Plan | 45 |
| Figure 2: RI 38-134, Election to Retain NAF Retirement Coverage, Page 1 | 46 |
| Figure 3: RI 38-134, Election to Retain NAF Retirement Coverage, Page 2, Instructions | 47 |

| | |
|--|----|
| Figure 4: Notice of NAF Election..... | 48 |
| Figure 5: Model Request for Verification of CSRS, CSRS Offset, or FERS Retirement Coverage | 50 |
| Figure 6: Fillable Form RI 38-144, Election to Retain CSRS, CSRS Offset, or FERS | 51 |
| Figure 7: Fillable Form RI 38-144, Election to Retain CSRS, CSRS Offset, or FERS, Page 2, Instructions..... | 52 |
| Figure 8: Notice of Civil Service Retirement Election..... | 53 |
| Figure 9: Request for Verification of NAF Service - Attachment 4, BAL 03-102 | 68 |
| Figure 10: Verification of NAF Service - Attachment 4, BAL 03-102..... | 69 |
| Figure 11: RI 38-145, Election to use NAF Service to Qualify for Immediate Retirement under CSRS or FERS..... | 70 |
| Figure 12: NAF Service Credit Election Flag..... | 72 |
| Figure 13: DCPAS Points of Contact | 85 |
| Figure 14: Sites Containing Portability of Benefits Information..... | 86 |

SECTION 1: INTRODUCTION

1.1. PURPOSE.

a. This guide provides a summary of laws and regulations applicable to employee movement between the civil service and DoD nonappropriated fund (NAF) employment systems. It provides guidance for DoD civil service and NAF civilian human resources offices (HROs) to use in processing appointments, portability of benefits elections, separations, and retirements. It is an adjunct to the public laws, DoD policy, and relevant Office of Personnel Management (OPM) regulations and benefits administration letters (BALs).

b. The procedures outlined in this guide cover the benefit portability situations that typically occur when an employee moves between the civil service and DoD NAF employment systems. However, this guide is not all-inclusive. DoD Component HRO staff may encounter some special situations that require assistance from the Defense Civilian Personnel Advisory Service (DCPAS), Benefits, Wage and NAF Policy Line of Business (LoB).

1.2. BACKGROUND.

a. DoD NAF employees work in military exchanges and morale, welfare, and recreation programs, and are paid from funds generated by those activities. NAF employees work in a wide variety of jobs, including sales clerks, child caregivers, club managers, laborers, recreation assistants, accounting technicians, and senior executives.

b. The Secretary of Defense has discretionary authority over NAF personnel policies covering employee benefits, classification, leave, staffing, workforce relations, and white-collar pay. DoD personnel policy covering NAF employees is contained in DoD Instruction 1400.25, "DoD Civilian Personnel Management System."

c. The six primary DoD NAF employers are the Department of the Army, the Department of the Air Force, the U.S. Marine Corps, the Navy Exchange Service Command (NEXCOM), the Commander, Navy Installations Command (CNIC), and the Army and Air Force Exchange Service (AAFES).

d. NAF employee benefits, including retirement, health, and life insurance coverage, are different from civil service employee benefit programs. A DoD-wide NAF health benefits program covers all eligible DoD NAF employees, regardless of their NAF employer. Other benefit programs are Component-specific. Each of the six primary NAF employers has a separate retirement plan.

e. With certain exceptions, NAF employment is not considered to be Federal service for purposes of laws administered by OPM. Unless specifically provided by law, NAF service is not creditable for purposes of civil service benefits. Service in a civil service position is not creditable for purposes of DoD NAF benefits unless DoD policy provides such credit.

f. NAF workforce relations rules and policy differ from those covering civil service employees. NAF employees are covered by the labor relations provisions of Title 5, United States Code (U.S.C.), but are not covered by civil service administrative appeals procedures. OPM's civil service Reduction-in-Force (RIF) procedures do not apply to NAF employees. If there is a DoD NAF workforce reduction or readjustment, the DoD NAF Business-Based Action (BBA) procedures published in DoDI 1400.25, Volume 1471, apply to eligible NAF employees. Civil service RIF and NAF BBA actions and procedures are completely separate from one another. Employees affected by workforce reductions are covered by the rules applicable to their current permanent position.

g. The differences between the civil service system and the NAF employment system, particularly in the area of retirement benefits, can cause employees to lose service credit when they move between civil service and NAF positions. Four laws prevent or limit such loss by providing for portability of benefits between NAF and civil service positions. Each of the four laws contain different eligibility criteria, benefit provisions, and application dates.

(1) The Nonappropriated Fund Instrumentalities (NAFI) Employees' Retirement Credit Act of 1986, Public Law (P.L.) 99-638, provides Civil Service Retirement System (CSRS) credit for certain DoD NAF service performed before January 1, 1966.

(2) The Portability of Benefits for NAF Employees Act, P.L. 101-508, enacted in 1990, provides portability of pay and benefits for employees moving without a break in service of more than three days between DoD NAF and DoD civil service positions.

(3) Section 1043 of the National Defense Authorization Act for Fiscal Year 1996, P.L. 104-106, expands portability benefits, primarily in the area of retirement coverage elections.

(4) Sections 1131 and 1132 of the National Defense Authorization Act for Fiscal Year 2002, P.L. 107-107, further expands the retirement election opportunities for employees moving between NAF and civil service positions.

h. A chronology and summary of portability of benefits laws is at Appendix 1A. The laws are codified in various sections of Title 5, U.S.C. Sections 3 through 11 of this Guide contain citations for Title 5, U.S.C. and implementing regulations and policy.

i. HR specialists may obtain processing and communication tools and informational documents from their Component Headquarters HRO and from the DCPAS Benefits, Wage and NAF Policy LoB website. These tools and documents include in-processing and out-processing checklists, an employee portability of benefits eligibility statement, checklists for processing NAF retirement coverage elections, employee portability of benefits eligibility decision notice, and reference charts containing NAF and FERS retirement plan information. DCPAS and NAF points of contact are found in Section 12 of this guide.

1.3. PORTABILITY OF BENEFITS PROVISIONS UNDER CURRENT LAW AND REGULATION. Appendix 1B contains a table summarizing key benefit provisions currently available at the time of a move between civil service and NAF positions. The paragraphs below

describe the major differences between retirement and non-retirement portability. The remainder of this Guide provides further detail.

a. Retirement Portability.

(1) Eligible employees who move on or after December 28, 2001, with a break in service of **no more than one year** between retirement-covered DoD or Coast Guard NAF positions and retirement-covered civil service positions in **any agency** may elect to continue retirement coverage in the losing employment system's retirement plan. If they do not elect to remain in that system, they enter the gaining employer's retirement system with no transfer of service credit.

(2) Employees in CSRS and the Federal Employees Retirement System (FERS) may use any prior NAF service that is not otherwise creditable in CSRS or FERS to qualify for an immediate retirement. This credit is only for the purpose of establishing eligibility for immediate CSRS or FERS retirement benefits on or after December 28, 2001. The election to use NAF credit may only be made at the time of retirement. Credit for NAF service will not increase CSRS or FERS annuity benefits.

(3) Employees who moved between DoD NAF and civil service positions before December 28, 2001 are covered under different retirement portability eligibility criteria and rules.

b. Pay and Benefits Other Than Retirement.

(1) Employees who move with a break in service of no more than three days between DoD NAF and DoD civil service positions may be eligible for pay, leave, and reduction-in-force or BBA benefit protection.

(2) Some non-retirement benefits are handled differently depending upon whether the move between NAF and civil service is voluntary or involuntary.

(a) In a voluntary move, the employee initiates the move by applying for a vacant position.

(b) In an involuntary move, the Component initiates the move of a position and its incumbent; the incumbent is moved with the position, without substantial change in duties, from one employment system to the other.

1.4. STRUCTURE OF REFERENCE GUIDE.

a. Section 2, Human Resources Office (HRO) Responsibilities, outlines HRO responsibilities when an employee moves between employment systems.

b. Section 3, Processing Separations and Appointments when an Employee Moves Between Civil Service and DoD NAF Positions, contains guidance on processing appointments and separations for employees moving between employment systems.

c. Section 4, Setting Initial Pay, contains guidance on setting the initial rate pay for employees moving between DoD NAF and DoD civil service positions.

d. Section 5, Portability/Service Credit of Benefits other than Retirement, contains guidance on determining eligibility for portability protections and service credit for non-retirement benefits. Most of the benefits described in this section are specific to employees moving between DoD positions without a break in service of more than 3 days.

e. Section 6, Portability of Retirement Coverage for Moves on or after December 28, 2001, contains guidance on processing retirement portability elections for employees moving under current law and regulation. This guidance applies to employees moving between DoD NAF and civil service positions in any agency on or after December 28, 2001. The appendices to Section 6 contain copies of election forms, aids to confirming eligibility for an election, and model requests for employer confirmation of the employee's participation in a retirement plan.

f. Section 7, Retirement Portability for Moves between Civil Service and DoD NAF Positions prior to December 28, 2001, contains guidance on the retirement portability law and regulations applicable to employees who moved between employment systems before December 28, 2001.

g. Section 8, Retirement Procedures for Employees who Retained Retirement Coverage, contains guidance on processing retirement actions for employees who remained in their previous employment system's retirement plan.

h. Section 9, Crediting DoD NAF Service for CSRS or FERS Immediate Retirement under Section 1132 of P.L 107-107, contains guidance on crediting DoD NAF service towards immediate retirement from CSRS or FERS. That section of the Guide applies to NAF or civil service employees who are covered by CSRS or FERS and have former NAF service that is not otherwise creditable in CSRS or FERS. Those employees may be able to use that service for the sole purpose of establishing eligibility for immediate CSRS or FERS retirement benefits.

i. Section 10, Processing Benefits Related to Death of Employees and Retirees who Retained Retirement Coverage Under Portability Provisions, contains guidance for HROs on what to do upon the death of an employee or retiree who retained retirement coverage. This section also discusses how to report the death, the forms needed, and how to help survivors submit benefit applications.

j. Section 11, Processing Corrections to Retirement System Coverage, contains guidance on correcting errors for employees who are placed in the wrong retirement system.

k. Section 12, Points of Contact, contains points of contact and useful websites for the civil service and NAF personnel and retirement systems.

l. Section 13, Frequently Asked Questions, provides answers to frequently asked questions.

APPENDIX 1A: CHRONOLOGY OF PUBLIC LAWS ON PORTABILITY OF BENEFITS

1A.1. THE NON APPROPRIATED FUND INSTRUMENTALITIES EMPLOYEES' RETIREMENT CREDIT ACT OF 1986, P.L. 99-638.

- a. Provides CSRS credit for former NAF service performed after June 18, 1952, and before January 1, 1966. (Title 5, U.S.C. 8332 (b) (16); 5 CFR 831.305)
- b. Former NAF service must have been in certain Morale, Welfare, and Recreation positions. (Eligible employees were primarily Department of the Army NAF employees working in recreation, youth activities, and arts and crafts positions, who were not covered by a NAF retirement system.)

1A.2. PORTABILITY OF BENEFITS FOR NAF EMPLOYEES ACT OF 1990, P.L. 101-508, SECTION 7202.

- a. Provides pay and benefits protection. (Codified in various parts of Title 5, U.S.C.). See Sections 4 and 5 of this Guide for specific references to law, regulation, and policy.
- b. Covers moves between **DoD** NAF and **DoD** civil service positions on or after January 1, 1987, without a break in service of more than 3 days.
- c. Permits employees to remain in their civil service or NAF retirement plan, if vested. Definitions of qualifying moves occurring between January 1, 1987, and August 9, 1996, under P.L. 101-508 retirement coverage provisions, are found in 5 CFR 847.202 (e) and (f). See Section 7 of this reference guide for additional information and references.

1A.3. FY96 NATIONAL DEFENSE AUTHORIZATION ACT, P.L. 104-106, SECTION 1043.

- a. Expands the 1990 Portability Act retirement election provisions to cover moves between DoD or Coast Guard NAF and civil service positions outside of DoD or Coast Guard, with a break of not more than one year. Definitions of qualifying moves occurring on or after August 10, 1996, and before December 28, 2001, under P.L. 104-106 are found in 5 CFR 847.202 (c) and (d). See Section 7 of this reference guide for additional information and references.
- b. Requires employees be vested in the losing employment system's retirement plan in order to have retirement election.
- c. Provides eligible FERS or NAF employees the opportunity to combine FERS and NAF service credit retroactively. Regulations applicable to retroactive elections under section 1043(c)(2) of P.L. 104-106 are found in 5 CFR Part 847 Subpart D. Definitions of qualifying moves occurring after December 31, 1965, and before August 10, 1996, allowing a retroactive

election opportunity are found in 5 CFR 847.402 (a) and (b). See Section 7 of this reference guide for additional information and references.

(1) The deadline for making a retroactive election was August 11, 1997. However, because P.L. 104-106 requires eligible employees receive timely notice of the retroactive opportunities, 5 CFR 847.304 (b) requires the employing agency to waive the time limit if the employee did not receive notice or counseling.

(2) Section 1043(c)(2) of P.L. 104-106 does not provide a retroactive election for employees covered by CSRS.

(3) For FERS credit, NAF employer and employee contributions transfer. If the funds transferred are less than the increase in the actuarial present value of the retirement benefit attributable to the additional service, the employee's annuity is reduced accordingly (5 CFR Part 847, Subparts E, F, and G).

1A.4. FY02 NATIONAL DEFENSE AUTHORIZATION ACT, P.L. 107-107, SECTIONS 1131 AND 1132.

a. Section 1131 permits employees moving between NAF and civil service positions on or after December 28, 2001, to continue coverage in the retirement plan that covered them immediately before the move. Employees may continue coverage even if they are not vested in the retirement plan. Employees must move between retirement-covered positions with a break of not more than one year (Title 5, U.S.C. 8347(q) and 8461(n)). Definitions of qualifying moves occurring on or after December 28, 2001 are found in 5 CFR 847.202 (a) and (b). See Section 6 of this reference guide for additional information and references.

b. Section 1132 permits employees in CSRS or FERS to use prior NAF service to qualify for an immediate retirement on or after December 28, 2001 (Title 5, U.S.C. 8332(b)(17) and Title 5, U.S.C. 8411(b)(6); 5 CFR Part 847, Subpart H). Credit for NAF service under this law **will not** result in higher CSRS or FERS annuity benefits (5 CFR Part 847, Subpart I). See Section 9 of this reference guide for additional information and references.

APPENDIX 1B: KEY BENEFITS AT TIME OF MOVE

Table 1: Key Benefits at Time of Move Between Civil Service and NAF Positions

| <i>Benefit</i> | Provision | Break in Service Criteria | Other Eligibility Criteria |
|---|--|--|---|
| Retirement | <ul style="list-style-type: none"> • Election to retain coverage in current retirement system • Employees who do not elect to remain in current system enter the gaining employer’s retirement system with no transfer of service credit | <ul style="list-style-type: none"> • No more than 1 year between retirement-covered positions | <ul style="list-style-type: none"> • Move between retirement-covered positions • No prior opportunity for same election |
| Pay | <ul style="list-style-type: none"> • Last rate of basic pay protected for involuntary moves • Highest previous rate of pay may be considered for voluntary moves | <ul style="list-style-type: none"> • No more than 3 days | <ul style="list-style-type: none"> • Must move between DoD positions |
| GS Step Increase | <ul style="list-style-type: none"> • Service credit towards waiting periods for pay increases | <ul style="list-style-type: none"> • No more than 3 days | <ul style="list-style-type: none"> • Must move from DoD NAF to DoD civil service positions |
| Annual, sick, and home leave | <ul style="list-style-type: none"> • Leave balances transfer • No pay-out of annual leave balance permitted | <ul style="list-style-type: none"> • No more than 3 days | <ul style="list-style-type: none"> • Must move between DoD positions |
| Annual leave accrual | <ul style="list-style-type: none"> • Prior service is credited towards annual leave accrual rate in new system | <ul style="list-style-type: none"> • No more than 3 days | <ul style="list-style-type: none"> • Must move between DoD positions |
| Severance Pay | <ul style="list-style-type: none"> • Service is credited for severance pay purposes in the gaining system. • In civil service to NAF moves, civil service severance pay entitlement resumes if employee is later involuntarily separated from NAF. | <ul style="list-style-type: none"> • No more than 3 days | <ul style="list-style-type: none"> • Must move between DoD positions |
| Reduction-in-force (RIF)/ Business-Based Action (BBA) | <ul style="list-style-type: none"> • Service credit transfers for civil service RIF or NAF BBA purposes | <ul style="list-style-type: none"> • No more than 3 days | <ul style="list-style-type: none"> • Must move between DoD positions |

List is not all inclusive. Please see Sections 3 through 6 of the Guide for additional information.

SECTION 2: HUMAN RESOURCES OFFICE (HRO) RESPONSIBILITIES

2.1. GENERAL.

- a. When an employee moves between a DoD NAF position and a civil service position, the gaining agency, with the help of the losing agency, determines whether portability of benefits provisions apply. Section 12 provides points of contact for civil service and NAF employee information.
- b. With advance communication between gaining and losing HROs and preparation, the gaining HRO should be able to tell the employee at the time of entry on duty which portability of benefits provision apply.
- c. Sections 2.2 and 2.3 summarize key HRO responsibilities. The summary is not all-inclusive.
- d. HR specialists are strongly encouraged to use the in-processing and out-processing checklists, checklists for processing employee elections to retain retirement coverage, employee eligibility statements, and eligibility decision notices available from the DCPAS Benefits, Wage and NAF Policy LoB website. The checklists are designed to confirm that the HRO carries out the below responsibilities and properly advises the employee of applicable portability entitlements. DCPAS civil service and NAF points of contact are in Section 11 of this Guide.

2.2. THE LOSING (SEPARATING) HRO (CIVIL SERVICE OR NAF).

- a. Documents the employee's separating personnel action with appropriate remarks regarding movement to the other personnel system.
- b. If the employee is eligible for leave transfer, coordinates with payroll to prevent lump-sum annual leave payout. Coordinates with gaining HRO to transfer leave balances. If annual leave is paid out in error, works with payroll experts to obtain repayment from employee, reinstates leave balance, and provides leave balance information for transfer to gaining employer.
- c. Coordinates with gaining HRO to transfer the employee's Official Personnel Folder (OPF)/Merged Record Personnel Folder (MRPF), including data in an employee's electronic OPF (e-OPF).
- d. Coordinates with retirement benefits experts to assist in documenting employee's eligibility for a retirement coverage election under portability of benefits law and regulation.
 - (1) The losing HRO and retirement benefit staff document participation in the losing system's retirement plan, or document a prior retirement election.
 - (2) The losing system does not provide an employee with a retirement coverage election; that is the role of the appointing HRO. However, if the losing HRO is aware of the employee's impending move to a retirement-covered civil service position, the HRO may provide a copy of

the retirement coverage election form to the employee upon resignation to help prepare for the transition.

e. Answers employee questions regarding the opportunity to retain retirement coverage. If the appointing HRO determines that the employee made a qualifying move, the employee may need the losing HRO and benefits staff to provide estimates of retirement benefits to make an informed election decision.

2.3. THE APPOINTING HRO (CIVIL SERVICE OR NAF).

a. Identifies prior service that may qualify the employee for portability of benefits. The gaining HRO obtains necessary information from the employee and the losing HRO and requests documenting records.

b. Reviews the employee's OPF, whether paper or electronic (e-OPF) format, to determine if the employee has prior service that qualifies for portability of benefits. (For purposes of this Guide, the OPF and e-OPF are interchangeable.).

(1) In reviewing the employee's OPF, the HRO should be aware that the personnel action forms for the civil service and NAF employment systems differ. One key difference is in the nature of action forms. The civil service uses OPM's Standard Form (SF) 50 to document personnel actions. DoD NAF employers use Component NAF forms.

(2) A list of the NAF forms equivalent to the SF-50 that are used to document NAF employee personnel actions is in Appendix 3.A. The list of forms may help civil service HROs find necessary NAF personnel documents and understand the nature of action codes.

c. Processes the appointment under the appropriate appointing authority.

d. Determines whether the employee is eligible for portability of benefits.

(1) Eligibility for portability of benefits determines whether the employee will receive a retirement coverage election, and whether the employee will receive credit for rate of basic pay and years of service in the previous employment system.

(2) HROs should keep in mind that eligibility for non-retirement benefits generally require that the employee move between DoD positions without a break in service of more than three days (see Section 5 for further information). Eligibility for a retirement coverage election does not require a move within DoD and the break in service requirement is no more than 1 year (see Section 6 for further information).

(3) Templates of Portability of Benefits Eligibility Statements are available from Component Headquarters and the DCPAS website. HROs may use these statements to notify a new employee of portability of benefits eligibility.

e. Provides the employee with applicable portability of benefits information and retirement election form to enable an eligible employee to make a retirement coverage election within the

30-day election period. See Section 5 of this Guide for explanations of non-retirement portability benefits; see Section 6 of this Guide for guidance on retirement coverage election eligibility and forms. The gaining HRO coordinates with the former employment system's HRO and retirement benefit staff where necessary to advise the employee.

f. Consults with DCPAS experts and appropriate DoD civil service or NAF retirement experts as necessary. Some employees move between employment systems more than once. Factors such as annuitant status and previous retirement coverage elections complicate portability moves and will require expert advice and coordination.

g. Documents the employee's eligibility for portability of benefits on the appropriate sections of personnel forms.

h. Uses OPM-designated folder, Standard Form 66-C MRPF and Standard Form 66-D, "Employee Medical Folder" to retain the records of employees who qualify for portability. OPM's "Guide to Personnel Recordkeeping" applies to the MRPF and Employee Medical Folder. In accordance with that OPM Guide and with the recordkeeping agreement between OPM and DoD, civil service and NAF records are kept in a single folder, but the agency that created the record retains ownership. Only the agency owning a record may amend, destroy, or remove it.

(1) The gaining HRO contacts the losing HRO to expedite complete records transfer.

(2) The gaining HRO establishes appropriate electronic employee files and ensures inclusion of all creditable service from losing employment system. Civil service HROs should keep in mind that not all DoD Components use electronic records for NAF employees. Paper format records that document eligibility for portability of benefits and service credit must be converted to an electronic format via electronic scanning into the employee's e-OPF.

(3) NAF HROs for Components who do not use electronic records must ensure that the employee's paper MRPF includes all documentation of civil service that qualifies the employee for portability of benefits and service credit.

i. Coordinates with losing HRO to ensure leave balances transfer, if the employee moved within DoD without a break in service of more than 3 days and is eligible for that benefit.

j. Documents the employee's retirement coverage election, if eligible. Follows instructions on applicable retirement election form.

k. Coordinates with payroll office and retirement benefit staff to ensure correct employee deductions and employer contributions are promptly submitted to the correct retirement plan and defined contribution plan (i.e., TSP or NAF 401k).

l. Checks with retirement benefit staff to confirm whether the employee is required to submit new enrollment or beneficiary forms.

m. Gives the employee a written final decision if the HRO determines that the employee is not eligible to make a portability retirement coverage election. The decision must explain the

reasons for the decision and provide information on applicable rights to appeal the decision. Model notices are available from Component Headquarters or DCPAS Benefits, Wage and NAF Policy LoB points of contact.

SECTION 3: PROCESSING SEPARATIONS AND APPOINTMENTS WHEN AN EMPLOYEE MOVES BETWEEN CIVIL SERVICE AND DOD NAF POSITIONS

3.1. GENERAL.

a. When the Component initiates the move of a position and its incumbent, the separating and appointing HROs are involved in the process from the start of the action. Therefore, both HROs should be fully aware of their responsibility to provide the employee with the benefit protections that apply to involuntary moves.

b. When an employee moves voluntarily between civil service and NAF positions, the separating and appointing HROs may not know if the employee is making a move covered by portability. HROs should use an employee's out-processing and in-processing information to help determine whether the employee is moving between employment systems and if the move should be processed under portability of benefits provisions.

c. The gaining HRO is required to make the necessary corrections if it discovers that the employee was not given the appropriate portability protections at the time of a qualifying move.

d. See applicable in-processing and out-processing checklists (available from Component Headquarters or DCPAS Benefits, Wage and NAF Policy LoB points of contact) for step-by-step guidance in processing separations and appointments of employees moving between civil service and NAF positions.

e. Sections 4, 5, and 6 of this Guide contain references and detail on pay and benefits under portability of benefits law and regulation.

3.2. SEPARATIONS.

a. DoD NAF Employees Moving to a DoD Civil Service Position.

(1) The applicable NAF HRO processes the necessary separation action from NAF employment.

(2) The NAF HRO uses Component Human Resources Information System (HRIS) procedures for processing personnel actions for employees moving to the civil service employment system.

(3) If the employee is moving to a civil service position within DoD without a break in service of more than three days, the NAF HRO notes in the "Remarks" section of the NAF separation action that the employee is transferring to a civil service position within DoD and is eligible for portability of benefits under P.L. 101-508.

(4) If the employee is moving within three days to a DoD civil service position that provides annual leave benefits, the employee's NAF annual leave balance transfers.

(a) Follow Component NAF HR, data systems, and payroll regulations and guidance on documenting eligibility for NAF leave balance transfer to the DoD civil service employment system. Coordinate with NAF payroll to ensure that the employee's annual leave is not paid out as a lump-sum payment to the employee.

(b) DoD 7000.14-R, Volume 8, Chapter 5, subparagraph 050901 and Volume 13, Chapter 8, subparagraph 080702 contain payroll office guidance.

(c) HROs should keep in mind that lump sum leave payout may be triggered by the Nature of Action Code and corresponding separation code that is sent by HR. If that happens, payroll cannot remedy the error until HR corrects the separation nature of action code to a code that does not allow lump sum leave pay out.

(d) If annual leave balance is erroneously paid out, repayment and balance reinstatement and transfer is mandatory. An erroneous payout of annual leave can lead to financial and tax consequences for the employee. Annual leave payments are taxable to the employee in the year received.

(e) DoD and Component NAF Financial Management Regulations (FMRs) apply with respect to corrections and repayment of NAF leave balances.

(5) Involuntarily separated employees who move to a civil service position within DoD without a break in service of more than three days are not entitled to NAF severance pay. See Section 5 on non-retirement benefits for further information on severance pay.

6) If the employee is eligible for an election to remain in the NAF retirement plan, the HRO coordinates with the NAF benefits office to provide the appointing civil service HRO with the necessary service and retirement plan enrollment information.

(7) The civil service HRO/benefits office will provide the appropriate civil service forms and process the employee's portability of benefits elections and leave transfers, if applicable.

(8) Refer to the summary of portability benefits in Appendix 1B, the HRO responsibilities listed in Section 2, and the more detailed portability benefits described in Sections 4 through 6 to assist in processing the movement.

b. DoD Civil Service Employees Moving to a DoD NAF Position.

(1) If the employee's civil service position is being abolished, civil service reduction-in-force procedures and protections apply to the affected employee losing civil service status.

(2) If the civil service employee is being converted to NAF under the Uniform Funding and Management Authority (UFM), UFM requirements and regulations must be applied. Title 10 U.S.C., section 2491 authorized UFM. UFM regulations are found in DoDI 1400.25, Volume

1403, Enclosure 3, Paragraph 8.b. and DoDI 1015.15, Enclosure 6, Paragraph E6.2.3. Under UFM:

(a) The position may only be converted to NAF if the employee encumbering the position voluntarily consents to the move.

(b) The conversion of position and employee takes place without a break in service.

(c) The employee moves to an equivalent NAF position at the same pay rate unless applicable pay setting rules dictate a different rate of pay.

(d) The conversion does not entitle an employee to civil service severance pay, back pay, or separation pay.

(e) The conversion is not considered an involuntary separation or other adverse personnel action.

(3) The civil service HRO processes the necessary separation action from civil service when a civil service employee moves to a NAF position in DoD and is eligible for portability of benefits.

(4) The OPM “Guide for Processing Personnel Actions,” does not contain a specific Nature of Action Code (NOAC) for processing a separation from a DoD civil service position and move to a DoD NAF position within three days. If the HRO knows that an employee is moving to a DoD NAF position within three days, the civil service HRO should include a note in the “Remarks” section of the separating SF-50 that the employee is moving under P.L. 101-508 to a DoD NAF position.

(5) If the employee is moving within three days to a DoD NAF position that provides annual leave benefits, the employee’s civil service leave balance transfers.

(a) Coordinate with civil service payroll to ensure that the employee’s annual leave is not paid out as a lump-sum payment to the employee.

(6) DoD 7000.14-R, Volume 8, Chapter 5, subparagraph 050901 and Volume 13, Chapter 8, subparagraph 080702 contain payroll office guidance.

(7) If annual leave balance is erroneously paid out, repayment and balance reinstatement and transfer is mandatory. An erroneous payout of annual leave can lead to financial and tax consequences for the employee. OPM and DoD payroll regulation and guidance apply with respect to corrections and repayment of civil service leave balances.

(8) Involuntarily separated employees who move to a NAF position within DoD without a break in service of more than three days are not entitled to civil service severance pay at the time of the civil service separation. See Section 5 on non-retirement benefits for further information on severance pay.

(9) A specific DCPDS code for a DoD civil service to DoD NAF move covered by P.L. 101-508 portability provisions is not currently available. As noted previously, the HRO should add a remark to the separation action and coordinate with civil service payroll when an employee is moving under P.L. 101-508 to a DoD NAF position. HROs should also check with Component HR Headquarters as to whether there is additional Component processing guidance or data system and payroll workarounds that will prevent the move from being treated as a separation instead of as portability move.

(10) The applicable NAF HRO/benefits office will provide the appropriate NAF forms and process the employee's portability of benefits elections and leave transfers.

(11) The losing civil service HRO tells the Thrift Savings Plan (TSP) record-keeper that the employee has transferred to a DoD NAF instrumentality (as opposed to a separation). If the employee later elects not to be covered by CSRS or FERS, the gaining NAF employer will submit an Employee Data Record to TSP to change the status to a separation as of the date of the move (5 CFR section 1620.36).

(12) To further help process the move, refer to the summary of portability benefits in Appendix 1B, the HRO responsibilities listed in Section 2, and the more detailed portability benefits described in Sections 4 through 6.

3.3. APPOINTMENTS.

a. The DoD/OPM Interchange Agreement.

(1) P.L. 101-508 authorized OPM and DoD to enter into an agreement for the noncompetitive movement of employees between DoD NAF positions and competitive service positions. The DoD/OPM Interchange Agreement took effect on September 20, 1991, originally for a three-year period. On December 13, 1993, OPM approved the use of the Interchange Agreement indefinitely.

(2) The Interchange Agreement permits DoD NAF employees to be appointed to positions in the competitive civil service in any agency. Employees serving in competitive civil service positions may be appointed to DoD NAF positions under the Interchange Agreement provisions (Title 5, U.S.C. 2105(c)(1)(D); 5 CFR 315.201(b)(1)(iv); DoDI 1400.25, Volume 1403, Enclosure 3, Paragraph 8 and Appendix).

(3) Eligibility for appointment under the Interchange Agreement requires the employee:

- (a) Move between positions that are not time-limited; and
- (b) Have one year of continuous service prior to appointment under the Interchange Agreement; and
- (c) Move without a break in service, or have been involuntarily separated without personal cause within the preceding year.

(4) Eligible DoD NAF employees under an appointment without time limit may include Flexible employees. Employees in the Flexible employment category may be assigned a full time, part-time, or intermittent NAF work schedule. Under DoD NAF policy, work schedules for Flexible employees may be scheduled in advance, or on an as-needed basis, from 0 to 40 hours per week.

(5) NAF employees hired to competitive service positions under the Interchange Agreement are treated in accordance with regulations covering the transfer of employees within the competitive service.

(6) The Interchange Agreement is an appointing authority; it does not authorize service credit for pay and benefits. To receive service credit for pay and benefits portability purposes, an employee must meet the eligibility criteria established by law and regulation. More information on portability of pay and benefits may be found in Sections 4 through 6 of this Guide. An employee who is eligible for portability of benefits may be appointed through use of the Interchange Agreement or any other valid appointing authority.

(7) A copy of the Interchange Agreement may be found at the Appendix to Enclosure 3 of Volume 1403 of DoDI 1400.25. Additional information may be found at <https://www.opm.gov/policy-data-oversight/hiring-information/competitive-hiring/#url=InterchangeAgreementsWithOtherMeritSystems>. (Please note that although the information on this OPM website is helpful with respect to the Interchange Agreement and non-retirement portability of benefits provisions, it has not been updated to include the most recent retirement portability law, P.L. 107-107.)

b. Appointment Authorities Used in Voluntary Moves. In a voluntary move, the employee initiates the move by applying for a vacant position. The gaining employment system processes the appointment through regular appointing procedures, using any valid appointing authority, including the DoD/OPM interchange agreement.

c. Appointment Authorities Used in Involuntary Moves. In an involuntary move, the Component initiates the move of a position and its incumbent. The Component moves the incumbent with the position, without substantial change in duties, from one employment system to the other.

(1) **NAF to Civil Service.** A NAF employee encumbering a position that the Component moves to the appropriated fund may be brought into the competitive service using 5 CFR provisions. See 5 CFR 316.701 provisions for retaining incumbents of positions brought into the Competitive Service.

(2) **Civil Service to NAF.**

(a) In a civil service to NAF move, the Component abolishes an appropriated fund position and reestablishes it as a new NAF position, appointing the incumbent to the NAF position using a NAF hiring authority. Civil service reduction-in-force procedures and protections apply to the affected employee losing civil service status.

(b) Appropriated fund Morale, Welfare, and Recreation positions may be converted to NAF positions using the UFM authority described in Paragraph 3.2.b.(2) of this Guide.

d. Priority Placement Program (PPP) Exemptions for NAF to Civil Service Conversion.

DoD policy authorizes a PPP exception for positions filled by employees encumbering a NAF position at the time the position is moved to the civil service and who are noncompetitively appointed to that same job (i.e., same desk and work unit). For guidance, see Chapter 4, Section C.2.o of the [Priority Placement Program Handbook](https://www.dcpas.osd.mil/Content/documents/EC/PPP_Handbook_112019.pdf), dated November 2019, https://www.dcpas.osd.mil/Content/documents/EC/PPP_Handbook_112019.pdf.

e. Credit towards Civil Service Career Tenure.

(1) **Conversion to Competitive Service.** Employees whose DoD NAF positions are brought into the competitive service are eligible to have non-temporary NAF service credited towards civil service career tenure (5 CFR 315.201(b)(1)(iii)).

(2) **Appointment under DoD/OPM Interchange Agreement.** Employees hired under the authority of the DoD/OPM Interchange Agreement are eligible to have non-temporary NAF service credited towards civil service career tenure (5 CFR 315.201(b)(1)(iv)).

(3) **Appointment under other Civil Service Appointment Authorities.** Civil service appointment authorities other than those listed in 3.3.e.(1) and (2) do not provide credit for former NAF service toward career tenure.

(4) **Intervening service.** Employment in a NAF position is credited toward civil service career tenure when it intervenes between two periods of creditable service (5 CFR 315.201(b)(3)(iv)(A)).

f. Probationary Periods.

(1) **Appointment under DoD/OPM Interchange Agreement.** Employees appointed under the Interchange Agreement will not be required to serve a new civil service or NAF probationary period if they previously completed a probationary period in the losing employment system (Paragraph 6 of the DoD/OPM Interchange Agreement).

(2) **Civil Service Credit for NAF Service.** Prior NAF service counts toward completion of civil service probationary period under applicable government-wide regulations. See 5 CFR 315.802(b) for service credit criteria.

g. Application of Voluntary Separation Incentive Pay Reemployment Restrictions. The restrictions on reemployment within the Federal Government following acceptance of Voluntary Separation Incentive Pay (VSIP) apply to employees who accept civil service or NAF jobs (Title 5, U.S.C., Section 9902(f); DoDI 1400.25, Volume 1702, Enclosure 3, Section 2.d., Volume 1417, Enclosure 3, Section 5.a.).

(1) An employee who receives a VSIP payment cannot be reemployed by DoD in a civil service or NAF position within 12 months of separation.

(2) VSIP repayment requirements apply to an employee who accepts a civil service or DoD NAF position within 5 years of receiving a VSIP.

h. Hiring CSRS/FERS or NAF Retirees.

(1) Portability of benefits retirement coverage elections may determine whether an employee is considered a reemployed annuitant in a civil service or NAF position.

(2) An individual who elected to remain in CSRS or FERS following a move from civil service to NAF is considered a CSRS or FERS reemployed annuitant in a civil service or DoD NAF position (DoDI 1400.25, Volume 1403, Enclosure 3, Paragraph 5.h.). CSRS/FERS reemployed annuitants are covered by the policies and procedures in Volume 300 of DoDI 1400.25.

(3) An individual who elected to remain in a DoD Component's NAF retirement plan following a move from NAF to civil service is covered under the reemployed annuitant policies of that NAF retirement plan whether employed in a DoD NAF position or a civil service position (DoDI 1400.25, Volume 1408, Section 5).

(4) Section 6.10 of this Guide contains information on annuitants' eligibility for retirement coverage elections.

i. Use of a Merged Record Personnel Folder (MRPF).

(1) Civil service and NAF HROs use OPM-designated folders, Standard Form 66-C, "Merged Records Personnel Folder," and Standard Form 66-D, "Employee Medical Folder" (EMF) to retain the records of employees who qualify for portability of benefits, as well as electronic official personnel folders (e-OPFs).

(2) For guidance on the use of MRPFs, see the OPM Operating Manual, "[The Guide to Personnel Recordkeeping](https://www.opm.gov/policy-date-oversight/data-analysis-documentation/personnel-documentation/personnel-recordkeeping/recguide2011.pdf)" (<https://www.opm.gov/policy-date-oversight/data-analysis-documentation/personnel-documentation/personnel-recordkeeping/recguide2011.pdf>).

j. Appointment Documentation.

(1) DoD NAF Appointments.

(a) Each of the six NAF employers has different forms or electronically generated reports that are equivalent to the civil service system's SF-50.

(b) If the NAF appointment form contains a "Remarks" section, use it to document the employee's eligibility for portability of benefits.

(c) Each NAF employer has a different code for other personnel actions; the coding depends upon their HR system.

(d) Appendix 3 of this Guide contains tables describing Component forms and the list of Nature of Action (NOA) codes compiled at the time of publication of this Guide.

(2) DoD Civil Service Appointments.

(a) The HRO should use OPM’s “[Guide to Processing Personnel Actions](#),” to obtain appropriate nature of action codes (NOAC), authority codes, and other pertinent information for processing the appointment SF-50. (The OPM Guide is found at <https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/>. See Tab 2, Processing Personnel Actions.)

(b) Chapter 9, Table 9-D, in the OPM “Guide to Processing Personnel Actions” provides the NOAC and authority code for employees appointed under the Interchange Agreement.

APPENDIX 3A: DOD NAF DOCUMENTATION

Table 2: DoD NAF Forms/Reports Equivalent to SF-50

| Component | Form Number | Description |
|---------------------------------------|-------------------------------------|--|
| Department of the Army | DA Form 3434 | Notification of Personnel Action Nonappropriated Fund Employee |
| Department of the Air Force | AF 2545 | “NAFI Notification of Personnel Action.” The AF 2545 prints from the information provided in the electronic form AF 2548, “NAFI Request for Personnel Action.” |
| U.S. Marine Corps | NAF-MCCS 500 | Personnel Action Form 500 |
| Commander, Naval Installation Command | Personnel Action Report | Bottom right-hand side of the form states “SF-50 equivalent” |
| Navy Exchange Service Command | NX-129 | PeopleSoft report |
| Army and Air Force Exchange Service | Exchange Form 1200-100 (Rev Feb 13) | AAFES Personnel Request electronic form. It is the form that is placed in the employee’s OPF. |

Table 3: DoD NAF Nature of Action (NOA) Codes for Business Based Actions

| Component | Nature of Action Code |
|---------------------------------------|---|
| Department of the Army | A037 |
| Department of the Air Force | N036 = separation as a result of a BBA |
| U.S. Marine Corps | TER = terminated due to a BBA CHG = lateral move due to a BBA, or change to a lower grade due to a BBA |
| Commander, Naval Installation Command | NOA 030 in CNIC’s interface to DMDC Uses a unique reason code in the HR system to identify BBAs. |
| Navy Exchange Service Command | TER = terminated due to a BBA CHG = lateral move due to a BBA, or change to a lower grade due to a BBA |
| Army and Air Force Exchange Service | C06 = Separation RIF C08 = RIF - Base Closure (BRAC) C12 = RIF - Exchange Closure |

SECTION 4: SETTING INITIAL PAY

4.1. GENERAL.

a. Employees who move involuntarily between DoD NAF and DoD civil service positions without a break in service of more than three days receive pay protection. In voluntary moves between DoD positions without a break in service of more than 3 days, the employee's highest previous rate may be considered.

b. Section 5334 of Title 5, U.S.C. and 5 CFR Part 531 provide pay setting rules covering DoD NAF employee moves to DoD General Schedule (GS) positions. The pay rules in Title 5, U.S.C. Chapter 53, Subchapter IV, and 5 CFR Part 532 cover employees who move to Crafts and Trades (CT) positions (NAF or civil service). Section 5365(b) of Title 5, U.S.C. authorizes grade and pay retention for DoD NAF employees who are involuntarily moved to DoD civil service positions without a break in service of more than three days.

c. DoD policy, not Federal law, provides pay setting requirements for DoD civil service employee moves to DoD NAF white-collar positions (DoDI 1400.25, Volume 1405, Enclosure 3, Appendix 1, subparagraph 3.b.(4)).

4.2. DOD NAF TO DOD CIVIL SERVICE WITHOUT A BREAK IN SERVICE OF MORE THAN THREE DAYS.

a. Moves from NAF to GS. Section 5334(f) of Title 5, U.S.C. provides pay setting requirements for setting basic pay for NAF employees moving to GS positions. 5 CFR 531.203 provides applicable definitions. An [OPM Fact Sheet](#), "NAFI Employees Moving to General Schedule (GS) Positions – Setting Pay," provides guidance and examples of pay setting situations (<https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/nafi-employees-moving-to-general-schedule-positions/>).

(1) **Involuntary moves.** NAF employees who are involuntarily moved to GS positions receive pay protection at the level of their NAF basic rate of pay at the time of the move. Components may set an employee's initial rate of GS pay at a higher level using the employee's NAF highest previous rate of NAF pay, the maximum payable rate rule (based on a non-NAF rate of basic pay), or the authority to grant pay retention (5 CFR 531.216; 5 CFR 531.221; 5 CFR 536.302(a); DoDI 1400.25, Vol 536, Section 3, Paragraph 3.2.k.).

(2) **Voluntary moves.** When a NAF employee moves voluntarily to a GS position, basic pay is set at the minimum rate of the applicable rate range for the GS position. Alternatively, the Component may use the employee's highest previous rate of NAF pay, or apply the maximum payable rate rule based on a non-NAF rate of basic pay (5 CFR 531.216; 5 CFR 531.221; DoDI 1400.25, Vol 531, Section 3, Paragraph 3.1.b). Employees who are eligible for portability pay setting provisions are not eligible to have their pay set under the superior qualifications and special needs pay-setting authority at 5 CFR 531.212.

b. Moves from NAF to Civil Service Wage Grade. Basic pay is set in accordance with 5 CFR part 532, subpart D (Pay Administration).

(1) **Involuntary moves:**

(a) NAF CT employees involuntarily moved to civil service CT positions are covered by the position or appointment change rules in 5 CFR part 532, subpart D. Under those rules, pay may be set using the employee's existing scheduled rate of pay, or the employee's highest previous rate of pay.

(b) Where the involuntary move results in a reduction in grade or pay, the provisions in 5 CFR part 536 (Grade and Pay Retention) apply (5 CFR 536.203; 5 CFR 536.302(a); DoDI 1400.25, Vol 536, Section 3).

(2) **Voluntary moves:**

(a) Under 5 CFR part 532, subpart D, a NAF CT employee's highest previous rate of pay may be considered when he or she moves to a civil service CT position.

(b) A NAF employee moving from a non-CT position to a civil service CT position is covered by the 5 CFR part 532, subpart D rules covering new appointments. Under those provisions, pay is set at the minimum rate of the appropriate grade, except as provided by exceptions for recognition of special qualifications and hard-to-fill occupations.

4.3. DOD CIVIL SERVICE TO DOD NAF WITHOUT A BREAK IN SERVICE OF MORE THAN THREE DAYS.

a. Moves from Civil Service to NAF Payband. Volume 1405 of DoDI 1400.25 provides pay setting policy for employees appointed to NAF white-collar Payband positions.

(1) **Involuntary moves.** Pay setting and pay retention provisions contained in Volume 1405 of DoDI 1400.25 protect an employee's GS pay upon a move to a NAF payband position (DoDI 1400.25, Volume 1405, Enclosure 3, Appendix 1, subparagraph 3.b.(4)).

(2) **Voluntary moves.** Pay may be set at an appropriate pay rate within the minimum and maximum rates of the applicable pay-band (DoDI 1400.25, Volume 1405, Enclosure 3, Appendix 1, Section 3).

b. Moves from Civil Service to NAF CT. Provisions in 5 CFR part 532, subpart D apply.

(1) **Involuntary moves.** Civil service employees involuntarily moved to a NAF CT position are covered by the position or appointment change rules in subpart D.

(a) Under those rules, pay may be set using the employee's existing scheduled rate of pay, or the employee's highest previous rate of pay.

(b) Where the involuntary move results in a reduction in grade or pay, the provisions in 5 CFR part 536 (Grade and Pay Retention) apply (5 CFR 536.203 and 5 CFR 536.302(a)).

(2) **Voluntary moves.** Under subpart D, the employee's pay may be set at the minimum step of the appropriate grade, or the employee's highest previous rate of pay may be considered.

SECTION 5: PORTABILITY/SERVICE CREDIT OF BENEFITS OTHER THAN RETIREMENT

5.1. CREDITABLE SERVICE TOWARDS GS WITHIN GRADE INCREASES. NAF service is creditable in the computation of waiting periods for within-grade step increases, if the employee moves from a DoD NAF position to a DoD GS position without a break in service of more than three days (5 USC 5335(f)); 5 CFR 531.406 (b) (4)).

5.2. CREDITABLE SERVICE TOWARDS GS TIME-IN-GRADE.

a. DoD NAF service is creditable towards GS time-in-grade requirements (5 CFR 300.605(a)).

b. Credit is given without regard to break in service, movement outside of DoD, or other portability of benefits eligibility criteria.

c. Under 5 CFR 300.605(b), the employee's non-GS rate of basic pay is used to determine the equivalent GS grade. Under the NAF payband system, "basic pay" means the NAF employee's annual rate of pay, 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 (Paragraph 3.a.(3) of Appendix 1 to Enclosure 3 of Volume 1405 to DoDI 1400.25).

5.3. RECRUITMENT AND RELOCATION INCENTIVES.

a. Employees moving between NAF positions and civil service positions in any agency are not considered to be "newly appointed" for purposes of recruitment incentives. Employees are not eligible for appropriated fund or NAF recruitment incentives unless there is a break in service of at least 90 days (5 U.S.C. 5753(a)(3); 5 CFR 575.102 (definition of "employee"); DoDI 1400.25, Volume 1405, Enclosure 3, Paragraph 2.k.(1)(b); OPM Pay and Leave Frequently Asked Questions at <https://www.opm.gov/FAQs/QA.aspx?fid=e64d74ab-20a3-484c-8682-d2a2b46c22da&pid=bd9a5cc4-64ce-4029-a243-721c5ffb5b25&result=1>).

b. Employees moving without a break in service between NAF positions and civil service positions in any agency may be eligible for relocation incentives, if the positions are in different geographic areas (Title 5, U.S.C. 5753(a)(3); 5 CFR 575.202 (definition of "employee"); DoDI 1400.25, Volume 1405, Enclosure 3, Paragraph 2.k.(1)(b)).

5.4. TRAVEL, TRANSPORTATION, AND RELOCATION EXPENSES.

a. DOD NAF to DOD Civil Service. Employees who move from DoD NAF positions to DoD civil service positions without a break in service of more than three days may be authorized travel, transportation, and relocation expenses and allowances to the same extent and under the same conditions as transferred civil service employees (Title 5, U.S.C. 5736).

b. DOD Civil Service to DOD NAF. Employees who move from a DoD civil service position to a DoD NAF position may be eligible for travel, transportation and relocation expenses and allowances, if the payment of such expenses is clearly in the interest of the NAFI (DoDI 1400.25, Volume 1405, Enclosure 3, Paragraph 2.i.(1)).

5.5. LEAVE TRANSFER.

a. Employees who move between DoD NAF and DoD civil service positions without a break in service of more than three days are eligible for transfer of annual, sick, and home leave balances to the gaining employment system (Title 5, U.S.C. 6308(b)). Under DoD policy, there is no transfer of funds between employment systems and leave transfers without limit (DoDI 1400.25, Volume 1406, Enclosure 3, subparagraphs 2.a.(8)(c), 2.b.(4), and 2.d.(3)).

b. Employees moving to or from positions that do not accrue leave are not eligible for leave transfer benefits. Most NAF Flexible positions do not accrue leave.

c. Payroll guidance on processing leave transfers and adjusting liability is available in DoD 7000.14-R, [Financial Management Regulation](#). See Volume 13, Chapter 8, subparagraph 080702, (http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_13.pdf).

d. Employees who are eligible for transfer of annual leave balance are not eligible to receive lump-sum payment for accrued annual leave from the former employment system. An exception is provided for annual leave restored due to Base Realignment and Closure, if the employee is transferring to a position at an installation that is not being closed or realigned (Title 5, U.S.C. 5551(a) and (c); DoDI 1400.25, Volume 1406, Enclosure 3, subparagraph 2.a.(7)(c)2)).

e. If an employee retired from the losing employment system prior to the move, and applied a sick leave balance towards retirement, there is no sick leave balance to transfer. Verify all leave balances with the losing employment system's HRO.

5.6. ANNUAL LEAVE CREDIT.

a. Employees who move between DoD NAF and DoD civil service positions without a break in service of more than three days receive service credit for purposes of determining annual leave accrual rate in the gaining employment system (Title 5, U.S.C. 6312(a)(2); DoDI 1400.25, Volume 1406, Enclosure 3, subparagraph 2.a.(4)(c)).

b. If the employee is eligible for annual leave credit under portability law and regulations, the gaining HRO reviews past service with the losing employment system and applies credit according to the gaining system's rules and procedures.

c. Civil service processing guidance regarding creditable service for leave accrual may be found in the [OPM Guide to Processing Personnel Actions](#), Chapter 6, Subchapter 1, Section 1-7.c., (<https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/processing-personnel-actions/gppa06.pdf>). DoD NAF leave accrual policy is

found in DoDI 1400.25, Volume 1406. This DoD-wide policy is supplemented by DoD Component NAF policy.

5.7. REDUCTION IN FORCE (RIF)/BUSINESS BASED ACTION (BBA). Employees who move, on or after January 1, 1966, between DoD NAF and DoD civil service positions without a break in service of more than three days receive service credit for civil service RIF (Title 5, U.S.C. 3502 (a)(C)(ii)) or NAF BBA purposes (DoDI 1400.25, Volume 1471, Appendix to Enclosure 3, Paragraph 7.e.(2)).

5.8. SEVERANCE PAY.

a. Determining Creditable Service. Employees who move between DoD NAF and DoD civil service positions without a break in service of more than three days receive service credit for severance pay purposes (5 CFR 550.705 and 550.708; DoDI 1400.25, Volume 1405, Appendix 5 to Enclosure 3, subparagraph 4.a.(3)).

b. Limitation on Payment of Severance Pay. Employees who are entitled to NAF or civil service severance pay are prohibited from receiving severance pay if they move between DoD NAF and DoD civil service positions without a break in service of more than three days. Employees who are entitled to civil service severance pay and who move to DoD NAF positions without a break in service of more than three days may be eligible to have the civil service severance pay resumed if they are later involuntarily separated from the NAF position (Title 5, U.S.C. 5595 (h); 5 CFR 550.709 (f); DoDI 1400.25, Vol 550, Enclosure 3, Paragraph 5.a, and Vol 1405, Appendix 5 to Enclosure 3 section 7).

5.9. HEALTH AND LIFE INSURANCE. Health and life insurance are not portable benefits. The rules of the gaining employment system's benefit plans apply.

a. NAF to Civil Service.

(1) Health Insurance.

(a) Eligible employees may elect to join the Federal Employees Health Benefits (FEHB) Program within 60 days of appointment.

(b) Civil service HROs should advise employees that FEHB coverage is not retroactive to the date of hire. FEHB only covers expenses that occur on or after the effective date of enrollment. Civil service HROs should provide an enrolling employee with the expected date of FEHB coverage. Find information about [FEHB](#) for new civil service employees at OPM's website, <https://www.opm.gov/healthcare-insurance/healthcare/enrollment/new-federal-employee-enrollment/>.

(c) Under DoD policy, a NAF employee who is enrolled in the NAF Health Benefits Program (HBP) and who moves to a DoD civil service position without a break in service of more than 3 days, remains covered by the NAF HBP for 31 days, or until the employee becomes covered by FEHB, whichever comes first (DoDI 1400.25, Volume 1408, Paragraph 7.14).

(2) **Life Insurance.** Eligible employees are automatically enrolled in Federal Employees Group Life Insurance (FEGLI) for Basic coverage upon appointment unless waived. Employees will have 60 days to elect optional insurance coverage.

b. Civil Service to NAF.

(1) **Health Insurance.** Eligible employees may elect to join the DoD NAF Health Benefits Program (HBP) within 31 days of appointment to the NAF position. Employees covered by FEHB will have the normal 31-day extension of coverage.

(2) **Life Insurance.** Eligible employees may enroll in the NAF employer's life insurance program under the employer's provisions for new employees. Employees should ask the appointing HRO about those specific eligibility requirements. Employees covered by FEGLI will receive the normal 31 day extension of coverage with the option for conversion.

5.10. NOTIFYING A NEW EMPLOYEE OF PORTABILITY BENEFITS. Appointing HROs should ensure that an employee's in-processing includes an explanation of the employee's eligibility for portability of benefits. The DCPAS "Portability of Benefits Eligibility Statement" templates available on the DCPAS website, or a Component approved template, may be used for this purpose.

SECTION 6: PORTABILITY OF RETIREMENT COVERAGE - MOVES ON OR AFTER DECEMBER 28, 2001

6.1. GENERAL.

a. An employee who makes a qualifying move between a civil service and NAF position on or after December 28, 2001, is eligible to elect to continue coverage in the retirement system that covered the employee before the qualifying move (Title 5, U.S.C. 8347 (q) and 8461 (n); title 5 CFR, part 847; 5 CFR 847.202 defines qualifying move).

b. CSRS election opportunities also apply to employees covered by CSRS-Offset. FERS election opportunities also apply to FERS Revised Annuity Employees (FERS RAE) and FERS Further Revised Annuity Employees (FERS-FRAE).

6.2. ELIGIBILITY CRITERIA.

a. The eligibility criteria for retirement elections are different from the criteria for portability of non-retirement benefits. Eligibility for retirement portability permits the employee to move to or from a civil service position in or outside of DoD and allows a break in service of no more than one year.

b. To elect to continue coverage in the losing employment system's retirement plan, the employee must:

(1) Move between a CSRS or FERS retirement-covered civil service position in any agency and a retirement-covered NAF position in DoD or Coast Guard;

(2) Move without a break in service of more than one year; and

(3) Not have had a prior opportunity to elect to continue the same retirement coverage.

c. The term "retirement-covered" NAF position means that the employee is a participant in the NAF defined benefit plan covering the employee's position at the time of the move. Participation only in the NAF defined contribution (401K) plan does not entitle the employee to an election to retain NAF retirement coverage.

6.3. DETERMINING IF AN EMPLOYEE IS ELIGIBLE FOR A RETIREMENT COVERAGE ELECTION.

a. Appointing HROs must identify any newly hired employee who makes a qualifying move between NAF and civil service positions. The HRO must confirm that the employee was a covered participant in the losing employment system's retirement plan and confirm the date of separation. In-processing checklists, available from Component Headquarters and the DCPAS website on the Benefits, Wage, & NAF Policy webpage, contain a section on confirming retirement portability.

b. The job aids in Appendix 6A and 6B also assist in determining eligibility. The appendices also contain model requests for confirming retirement plan participation. Appendix 6A pertains to employees moving from DoD NAF positions to civil service positions. Appendix 6B pertains to employees moving from civil service positions to DoD NAF positions.

c. A list of civil service and NAF retirement benefit points of contact is in Section 12 of this Guide. A reference chart outlining the characteristics and provisions of the different Component’s NAF retirement plans and FERS is on the DCPAS website under the Benefits, Wage and NAF Policy LoB page. That chart may be helpful to HROs in providing information to employees and contacting appropriate benefit offices.

6.4. RETIREMENT COVERAGE ELECTIONS.

a. 5 CFR, Part 847, Subpart B, contains the regulations on continuing retirement coverage after a qualifying move between the NAF and civil service systems. [OPM BAL 02-102](#), dated May 1, 2002, contains additional information and election forms. This BAL is located on OPM’s archived BAL Tab (2002 – 1995) at: <https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters>, Tab (2002 – 1995).

b. [The Civil Service Retirement System \(CSRS\) and Federal Employees Retirement System \(FERS\) Handbook for Personnel and Payroll Offices](#) contains information on portability of benefits for NAF employees in Chapter 12. However, as of February 2021, that guidance has not been updated to reflect P.L. 104-106 or P.L. 107-107 legislative changes. Therefore, please note that the guidance in Section 12A5.1-4 on movement within DoD, and vesting requirements is incorrect for current moves between NAF and civil service positions.

c. DoDI 1400.25, Volume 1408, Section 5, provides DoD policy on portability of retirement benefits between DoD NAF and civil service positions.

Table 4: Retirement Election Options for Employees Moving from NAF to Civil Service

| Retirement Election Option | Effect on Retirement Plan Contributions | Effect on TSP/401k Participation and Contributions |
|--|--|--|
| Remain in NAF retirement plan; or | Civil service employer forwards employer contributions and employee deductions to NAF retirement plan. | Civil service employer forwards all required NAF employer and employee contributions to NAF 401(k). Employee may not join TSP. |
| Join FERS retirement plan (or re-join CSRS/ CSRS Offset if eligible); no transfer of NAF service for civil service retirement benefit. | Civil service employer forwards employer contributions and employee deductions to civil service retirement plan. | Civil service employer forwards employer and employee contributions to TSP. Employee may no longer contribute to NAF 401(k). Employee may roll over NAF 401(k) funds into TSP. |

Table 5: Retirement Election Options for Employees Moving from Civil Service to NAF

| Retirement Election Option | Effect on Retirement Plan Contributions | Effect on TSP/401k Participation and Contributions |
|---|--|--|
| Remain in CSRS, CSRS Offset, or FERS; or | NAF employer forwards employer contributions and employee deductions to appropriate civil service retirement plan. | NAF employer forwards required employer and employee contributions to TSP. Employee may not join NAF 401(k) plan. |
| Join NAF retirement plan; no transfer of CSRS or FERS service for NAF retirement benefit. | NAF employer forwards employer contributions and employee deductions to NAF retirement plan. | NAF employer forwards required employer and employee contributions to NAF 401(k) plan. Employee may no longer contribute to TSP. Employee may roll over TSP funds to the applicable 401(k) plan, under the rules of the NAF 401(k) plan. |

6.5. EMPLOYER AND EMPLOYEE CONTRIBUTIONS AND DEDUCTIONS.

a. Election to Retain NAF Retirement Plan.

(1) If a civil service employee elects to remain in the NAF retirement plan, the civil service HR/payroll offices obtain the current employer and employee retirement deduction and contribution rates from the appropriate NAF Component retirement system (Component points of contact are listed in Section 12). The civil service HR/payroll offices also obtain information on contributions to the applicable NAF 401(k) plan, including 401(k) loan repayments.

(2) Employee and employer contributions and deductions for employees who elect to remain in the NAF plan are calculated in exactly the same way as the actual contribution for a NAF employee in the applicable NAF retirement and 401(k) plans. For example, if the NAF employer contribution to the Component NAF defined benefit plan is 7.6% of a NAF employee's salary, the appointing civil service employer will make a 7.6% of salary contribution to the NAF retirement plan for an employee who retained that NAF coverage.

(3) Civil service HROs should be aware that the rules for NAF defined benefit and 401(k) defined contribution plans differ from those covering CSRS/FERS/TSP. Enrollment may be voluntary and waiting periods may or may not apply. The employee must have been participating in the NAF defined benefit plan at the time of the move in order to have a retirement coverage election. If the employee elects to remain in the NAF plan, the NAF Component's rules apply for all future retirement coverage.

(4) Civil service payroll offices make employer and employee deductions and contributions to the NAF retirement and 401(k) plans and applicable 401(k) loan repayments biweekly and submit funds to the appropriate NAF employee benefit system. Civil service payroll offices make Federal Insurance Contributions Act (FICA) deductions and report those

deductions in accordance with current guidance from the Department of the Treasury (DoD 7000.14-R, Volume 8, “Civilian Pay Policy,” chapter 4, Paragraph 040403, “[DoD Employees Covered By Retirement Systems for Nonappropriated Fund Instrumentalities](http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_08.pdf),” http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_08.pdf).

b. Election to Retain CSRS or FERS.

(1) If a NAF employee elects to remain in CSRS or FERS, the NAF HR/payroll offices remit the current CSRS/FERS/TSP employer and employee retirement deduction and contribution rates.

(2) The NAF HRO uses Form TSP-19, “Transfer of Information Between Agencies,” to obtain TSP information from the losing civil service employer. The form is available at <https://www.tsp.gov/bulletins/tsp-19.pdf>.

(3) The NAF payroll/benefit office withholds employee retirement deductions, makes the appropriate agency contributions, and sends the amounts to OPM for deposit. The NAF employer also forwards the employee’s TSP contributions and the required employer matching contribution to TSP. FICA is withheld and reported in accordance with current guidance from the Department of Treasury. (DoD 7000.14-R, Volume 13, “Nonappropriated Funds Policy,” Chapter 8, Paragraph 0807, “[Employee Benefit Portability Program](http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_13.pdf),” http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_13.pdf; 5 CFR, sections 847.209 (CSRS and FERS retirement contributions) and 1620.32 (TSP contributions)).

(4) NAF employers deduct TSP loan payments from the pay of NAF employees who elect to be covered by CSRS or FERS and transmit the funds to TSP (5 CFR section 1620.35 and part 1655.)

(5) NAF employers should be aware that the employee and employer contributions are different for FERS, FERS-RAE, and FERS-FRAE. Be sure to use the correct retirement coverage code, and deduction and contribution percentage rates.

(6) Information on FERS RAE and FERS-FRAE may be found in Chapter 10 of the CSRS and FERS Handbook, [Chapter 10, https://www.opm.gov/retirement-services/publications-forms/csrsfers-handbook/c010.pdf](https://www.opm.gov/retirement-services/publications-forms/csrsfers-handbook/c010.pdf).

(7) See OPM BALS for the most recent contribution and deduction percentages. For example, OPM BAL 20-304 lists new agency contribution rates as of the first pay period beginning on or after 10/01/2020 (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2020/20-304.pdf>).

6.6. DOCUMENTING THE ELECTION.

a. Moves from NAF to Civil Service.

(1) Use [Form RI 38-134](#), for elections to retain NAF retirement coverage. <https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102a.pdf>. A copy of the form and instructions is at Appendix 6A. A checklist for processing elections to retain NAF retirement coverage is available from Component Headquarters HROs and from the DCPAS website on the Benefits, Wage, & NAF Policy webpage.

(2) HROs follow the election form instructions to document the employee's election. A copy of the completed election form, along with retirement coverage verification received from the NAF employer, must be placed in the employee's personnel records.

(3) Eligible employees may make a retirement coverage election at the time of appointment, or take up to 30 days after the date of appointment to make an election.

(a) If the employee makes an immediate retirement coverage election, only one SF-50 is needed to process the retirement election.

(b) If the employee delays an election to retain NAF coverage, it will be necessary to cut two SF-50s to process the retirement election. The first SF-50 serves as the retirement coverage action until the employee makes his or her decision. The civil service HRO completes the normal appointment SF-50 and determines the appropriate retirement coverage. In most situations, the employee will be FERS. In a few situations, the employee may have previous CSRS-covered service and be vested in CSRS, in which case the employee is placed in CSRS Offset. If the employee elects to retain NAF retirement coverage within 30 days of appointment, the HRO must correct the SF-50 to reflect the NAF retirement coverage election.

(4) The HRO should use OPM's "[Guide to Processing Personnel Actions](#)" to locate the appropriate nature of action codes, authority codes, and other pertinent information for processing the appointment SF-50. (<https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/>). For example, for moves to competitive civil service positions, the [OPM Guide's Table 9-I, Rule 57](#), states that the remark "B63" is used to indicate retention of the NAF retirement system. The remark on the SF 50 should be "Employee elected to retain coverage under a retirement system for NAF employees." <https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/processing-personnel-actions/gppa09.pdf>.

(5) OPM's "[Guide to Personnel Data Standards](#)," (www.opm.gov/policy-data-oversight/data-analysis-documentation/data-policy-guidance/reporting-guidance/part-a-human-resources.pdf?clearcache=1) under Part A, "Human Resources," "Retirement Plan," lists code "5" as the "Other Retirement System" code for employees who have retained coverage under a retirement system for NAF employees.

(6) The civil service HR/payroll office follows DCPDS and payroll data element coding instructions to identify the specific NAF employer retirement plan (A = Department of the Army;

B = Navy (CNIC/BUPERS); C = NEXCOM; D = Department of the Air Force; E = Marine Corps; F = AAFES).

(7) The civil service HRO further documents an election to retain NAF retirement coverage by placing a “NOTICE OF NAF ELECTION” flag in the employee’s MRP (paper or electronic). A copy of the flag is at Appendix 6A.

(8) The NAF retirement plan may require completion of specific Component forms documenting NAF 401(k) plan coverage continuation, including completion of a new beneficiary form. The civil service HRO will need to contact the applicable NAF retirement plan’s point of contact to confirm the necessary forms and process. A chart containing NAF 401(k) information and points of contact is found on the DCPAS website on the Benefits, Wage, & NAF Policy webpage.

b. Moves from Civil Service to NAF.

(1) [Form RI 38-144](#), for elections to retain civil service retirement coverage, is used regardless of whether the employee’s election pertains to CSRS, CSRS-Offset, FERS, FERS-RAE, or FERS-FRAE. A copy of the form and instructions is at Appendix 6B. (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102e.pdf>.) A checklist for processing elections to retain CSRS or FERS retirement coverage is available from Component Headquarters HROs and from the DCPAS website on the Benefits, Wage, & NAF Policy webpage.

(2) HROs follow the election form instructions to document the employee’s election. A copy of the completed election form, along with retirement coverage verification received from OPM, must be placed in the employee’s personnel records.

(3) Eligible employees may make a retirement coverage election at the time of appointment, or take up to 30 days after the date of appointment to make an election. NAF retirement coverage rules apply until the employee makes an election. If the employee elects to retain CSRS or FERS coverage within the time limit, the NAF HRO must correct the appropriate NAF personnel action forms to reflect the civil service retirement coverage. Follow the Component’s NAF HR, payroll, and benefit procedures.

(4) If the employee elects to continue CSRS or FERS, ensure that the appropriate OPM and TSP forms and documentation are prepared and submitted.

(5) If the employee elects not to retain CSRS or FERS coverage, the NAF HRO submits an Employee Data Record to TSP reporting the employee’s separation from civil service employment as of the date of the move (5 CFR section 1620.36).

(6) The NAF HRO further documents an election to retain CSRS or FERS retirement coverage by placing a “NOTICE OF CSRS/FERS ELECTION” flag in the employee’s MRP (paper or electronic). A copy of the flag is at Appendix 6B.

6.7. TIME LIMIT FOR MAKING AN ELECTION.

a. Employees have 30 days from the date of the qualifying move to make a retirement coverage election. Agencies may waive the time limit if the employee was not given a timely opportunity or was prevented from making an election within the time limit (5 CFR 847.206).

b. If the employee does not make an election within the required time period, the employee is considered to have chosen not to retain the retirement coverage they had prior to the portability move. The employee will be covered by their new position's retirement plan.

6.8. EFFECTIVE DATE OF ELECTION. Retirement coverage elections are effective on the date of the qualifying move, i.e., the date of appointment (5 CFR 847.207).

6.9. EFFECT OF RETIREMENT COVERAGE ELECTION.

a. Election not to Retain Coverage.

(1) An employee who elects not to retain coverage in the losing employment system's retirement plan will enter the gaining system's retirement plan. There is no transfer of retirement service credit or funds into the new retirement plan.

(2) The employee may not continue to make contributions to the losing system's defined benefit plan or the TSP/401(k) plan.

(3) The employee will never be offered another opportunity to retain coverage in that retirement plan.

b. Election to Retain Coverage.

(1) An election to remain covered in the losing retirement system is considered an irrevocable election.

(2) The employee will continue to be covered by that retirement system for all future periods of federal service not otherwise excluded from retirement coverage.

(3) Regardless of future moves between NAF and civil service employment, in or out of DoD, breaks in service, and retirement status (including any periods of service as a reemployed annuitant), the employee's retirement coverage remains with the plan in which the employee elected to retain membership (Title 5, U.S.C. 8347(q) and Title 5, U.S.C. 8461(n); 5 CFR, Part 847).

(4) An employee who elects to remain covered by a NAF retirement plan retains coverage in that specific DoD Component NAF plan, regardless of future moves to a different DoD Component.

(5) Employees who elect CSRS/FERS coverage are covered by Thrift Savings Plan (TSP) eligibility and contributions requirements (5 CFR, Part 1620, Subpart D). Those

employees are not eligible to participate in a NAF 401(k). Information on TSP is found at <https://www.tsp.gov/>.

(6) Employees who elect NAF retirement system coverage are covered by their Component NAF 401(k) plan's eligibility and contribution requirements. Those employees are not eligible to participate in TSP.

(a) Each of the six NAF 401(k) plans has different employer match formulas, eligibility, and participation rules.

(b) The NAF employer's retirement plan point of contact can provide information on the contribution requirements and plan rules. NAF retirement benefit points of contact are listed in Section 12 of this Guide. The DCPAS NAF Component Retirement Plan and FERS Policy Reference Chart on the DCPAS website under the Benefits, Wage and NAF Policy LoB webpage also contains helpful information.

6.10. ANNUITANTS' ELIGIBILITY FOR RETIREMENT COVERAGE ELECTIONS.

a. General.

(1) An employee may, if eligible, retire from the losing employment system's retirement plan before moving to a position in the gaining employment system.

(2) An annuitant must meet the same eligibility criteria as a non-annuitant to qualify for a retirement portability election (move between retirement-covered positions; move without a break in service of more than one year; and not have had a prior opportunity to make the same retirement coverage election).

(3) Many employees move between NAF and civil service positions several times during their careers and may participate in, and retire from, more than one retirement system.

(4) Annuitant status and previous retirement coverage elections affect an employee's retirement coverage election eligibility. Special rules apply to CSRS and FERS annuitants (see Paragraph 6.10.c. below). The hiring HRO should seek guidance from Component specialists, who will contact DCPAS experts if the employee's eligibility for a retirement coverage election is unclear.

(5) Reemployment may affect an annuitant's post-retirement benefits. Before hiring an annuitant, particularly one who retained retirement coverage under portability of benefits provisions, the HRO and the annuitant should determine whether the reemployment could result in a loss of post-retirement benefit eligibility.

b. Retirement Coverage Elections.

(1) If the employee elects to continue retirement coverage in the system from which retired, the employee is considered a reemployed annuitant subject to the laws, regulations, and policies of that retirement system.

(a) CSRS or FERS law, regulations, and policy, and DoD employment policy in DoDI 1400.25, Volume 300 apply to reemployed CSRS and FERS annuitants.

(b) Reemployed NAF annuitants are subject to the applicable Component retirement plan rules for employment of annuitants.

(2) If the employee elects to become subject to the gaining system's retirement plan, the employee is not considered a reemployed annuitant (as defined by the system from which retired) while employed by the gaining employment system.

c. CSRS/FERS Reemployed Annuitants.

(1) With certain exceptions, CSRS and FERS annuitants who are reemployed in civil service positions on or after November 24, 2003 are not considered employees for purposes of CSRS or FERS coverage (Title 5, U.S.C. 9902(g); DoDI 1400.25, Volume 300, Enclosure 2, Section 3).

(2) A CSRS/FERS annuitant who accepts a NAF appointment and becomes subject to the NAF retirement plan is not a reemployed civil service annuitant while in the NAF position.

(a) If the individual subsequently moves to a civil service position, that individual will be covered under the Title 5, U.S.C. 9902(g) and DoDI 1400.25, Volume 300 reemployed CSRS or FERS annuitant rules.

(b) With certain exceptions, a CSRS/FERS annuitant moving from NAF to civil service would not be considered to be moving to a CSRS or FERS retirement-covered position and would not be eligible for a portability election to remain in the NAF plan (DoDI 1400.25, Volume 1408, Paragraph 5.1.f.).

6.11. DEATH OF EMPLOYEE DURING ELECTION OPPORTUNITY PERIOD.

a. If an eligible employee dies before making an election during the 30-day election opportunity period, the employee is deemed to have elected to remain in the retirement system that covered the employee before the qualifying move (5 CFR, section 847.211 (a)).

b. The employee's eligible survivor may, within 30 days of notification, choose to decline the deemed election (5 CFR, section 847.211 (b) and (c)).

6.12. EMPLOYEES WHO ARE NOT ELIGIBLE FOR A RETIREMENT COVERAGE ELECTION.

a. If the agency determines the employee is not eligible to make an election, it must issue a final decision to the employee. The final decision must be in writing and provide the findings and conclusions of the agency (5 CFR 847.106).

b. The agency decision must contain notice of Merit System Protection Board (MSPB) appeal rights with respect to the employee's rights or interests under CSRS or FERS. The agency decision is not subject to review under any employee grievance procedures (5 CFR 847.107).

c. MSPB review of an agency's retirement election eligibility decision is available to employees moving from NAF to civil service or civil service to NAF.

d. A template for a portability of retirement benefits eligibility decision notice is available for Component use. The template is found on the DCPAS website on the Benefits, Wage, & NAF Policy webpage.

APPENDIX 6A: RETIREMENT ELECTION FORMS AND INSTRUCTIONS FOR EMPLOYEES MOVING FROM NAF TO CIVIL SERVICE POSITIONS ON OR AFTER DECEMBER 28, 2001

Table 6: Job Aid to Assist in Determining Eligibility to Retain NAF Retirement Coverage Following a Move to a Civil Service Position on or after December 28, 2001

| Eligibility Criteria | Actions |
|---|--|
| <p>1. Is the move between retirement-covered positions? The employee must move from a NAF retirement-covered position to a civil service position covered by a civil service retirement plan. Verify NAF defined benefit retirement plan participation using the model request for verification at Figure 1 of this appendix (this model request is also found in OPM BAL 02-102, Attachment C).</p> | <p>Yes. Go to step 2.</p> <p>No. If the gaining or losing position does not provide retirement coverage, the employee is not eligible to retain NAF retirement coverage. For example, the employee cannot retain NAF retirement coverage if the move is to a civil service position that does not provide CSRS or FERS retirement coverage.</p> |
| <p>2. Is the break in service no more than one year? The employee must begin employment in a civil service retirement-covered position no later than 1 year after separation from NAF retirement-covered employment. (Note: An appointment during the 1-year break which is not subject to retirement coverage does not invalidate an otherwise qualifying move.)</p> | <p>Yes. Go to step 3.</p> <p>No. If the break in service is more than one year, the employee is not eligible to retain NAF retirement coverage.</p> |
| <p>3. Is this the employee's first opportunity to elect to retain NAF retirement coverage? Review the OPF to determine if the employee was given a prior opportunity to elect to continue NAF retirement coverage following a previous move from NAF to civil service. If the employee was given a prior opportunity, the OPF should contain an election form (RI 38-134 for moves on or after 12/28/01; NAF-CS-1 for moves occurring on or after 8/10/96, but before 12/28/01; a retroactive election under P.L. 104-106; or RI 38-110 for moves occurring on or after 1/1/87, but before 8/10/96).</p> | <p>Yes. Go to step 4.</p> <p>No. If the employee was given a prior election to retain NAF retirement coverage, he or she is not eligible for another opportunity to retain that coverage as a civil service employee. Provide employee with written final decision.</p> |
| Election Procedure | Action |
| <p>4. Provide Election to Employee</p> | <p>Give employee form RI 38-134. Follow form instructions.</p> |

Figure 1: Model Request for Verification that Employee was a Participant in a NAF Retirement Plan

Model Request Form: <https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102c.pdf>

[insert name and address of previous retirement system.]

Dear Retirement Plan Administrator:

We hired the individual named below on ***[insert date of employment subject to retirement coverage]***. We are trying to determine if *he/she* is eligible to elect to retain NAF retirement coverage based on a qualifying move occurring on or after December 28, 2001. Please verify whether or not the individual was a covered participant in the NAF defined benefit retirement plan you administer. If the individual was such a participant, please provide the date the individual separated from retirement covered NAF employment. Please return your response to:
[insert name, address, telephone number, and fax number.]

Thank you.


| | |
|---|-------------------------|
| <i>To be completed by individual's current employing agency</i> | |
| Employee's Name (Last, First, MI) | Other names used |
| Date of Birth: | Social Security Number: |
| Dates of most recent NAF employment: | |
| Location of most recent NAF employment: | |

| | |
|--|-------|
| <i>To be completed by NAF Retirement Plan Administrator</i> | |
| <input type="checkbox"/> Employee was a participant in the _____ NAF defined benefit retirement plan and separated from retirement-covered employment (as defined by the NAF employer's retirement plan) on _____. | |
| <input type="checkbox"/> Employee was not a participant in the _____ retirement plan and is therefore not eligible to continue retirement coverage under this plan. | |
| Signature of certifying official | Date |
| Certifying official printed name | Title |
| Address, telephone number, and fax number | |

Figure 2: RI 38-134, Election to Retain NAF Retirement Coverage, Page 1

The copy of [RI 38-134](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102a.pdf) below is for information purposes. HROs use the [fillable form](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102a.pdf). (https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102a.pdf)

**Election to Retain NonAppropriated Fund (NAF) Retirement Coverage
As a Result Of A Move From A NonAppropriated Fund Position To A
Civil Service Position On or After December 28, 2001**



Instructions: The Human Resources Office will complete Part 1 of this form and give it to the employee. The employee must indicate his/her election by signing in Part 3 and returning the signed form to the Human Resources Office on or before the due date shown in Part 1.

Part 1 - (To be completed by agency)

| | | |
|--|---|------------------------|
| Employee's name <i>(last, first, middle)</i> | Date of birth <i>(mm/dd/yyyy)</i> | Social Security Number |
| Name of NAF Retirement Plan | Due date <i>(mm/dd/yyyy)</i> Human Resources Office must receive election on or before _____ | |

I verify that in accordance with §§ 8347(q) and 8461(n) of title 5, U.S.C., and OPM regulations at 5 CFR part 847, this employee is eligible to retain coverage in the NAF retirement plan because he/she —

- (1) Has never previously had an opportunity to elect to retain coverage in a NAF retirement plan; and
- (2) Has moved, on or after December 28, 2001, from a NAF position subject to a NAF retirement plan to a civil service appointment covered by CSRS, CSRS Offset, or FERS without a break of more than 1 year.

| | |
|----------------------|----------------------------------|
| Authorized Signature | Date of move <i>(mm/dd/yyyy)</i> |
| Title | Date signed <i>(mm/dd/yyyy)</i> |

Part 2 - Acknowledgement of Receipt and Notice of Effect of Failure to Elect

I understand that I am eligible to retain retirement coverage in the NAF retirement plan shown above. I acknowledge that the Human Resources Office has completed Part 1 of this election form and given it to me on this date. I understand that if I fail to complete Part 3 and return the completed form to the Human Resources Office before the close of business on the Due Date (shown in Part 1) I will automatically be considered to have chosen Option 2 in Part 3. I also understand that the option I choose below (or am automatically considered to have chosen) will restrict my retirement plan entitlement for the rest of my Government career and that I can never change this election regarding retention of NAF retirement coverage as a civil service employee.

| | |
|----------------------|--------------------------|
| Employee's Signature | Date <i>(mm/dd/yyyy)</i> |
|----------------------|--------------------------|

Part 3 - Employee's Election (Instructions to employee: Sign only the box for the option that you elect.)

Option 1: I elect to retain retirement coverage in the NAF retirement plan. I understand that because of this irrevocable decision, I will never be able to earn additional credit under the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). I understand that regardless of future moves between NAF and civil service employment, breaks in service, and changes in employment or retirement status, my retirement coverage will remain with a NAF retirement plan in accordance with the rules of that plan.

| | |
|----------------------|--------------------------|
| Employee's signature | Date <i>(mm/dd/yyyy)</i> |
|----------------------|--------------------------|

Option 2: I do **not** elect to retain retirement coverage in the NAF retirement plan. Because I have made this decision:

- (1) I will enter FERS, CSRS, or CSRS Offset coverage as appropriate. In the future, I may be able to elect to credit my NAF service to qualify for an immediate FERS, CSRS, or CSRS Offset retirement. I will only be able to make such an election at the time I retire. I understand that my NAF service will not increase the amount of any future FERS, CSRS, or CSRS Offset annuity to which I may become entitled.
- (2) I will not be given another opportunity to retain coverage in a NAF retirement plan if I ever move from a NAF position to a civil service appointment in the future. However, if I move back to a NAF position, I will be subject to the NAF plan in accordance with its rules.
- (3) If in the future I move back to a NAF retirement covered position without a break in service of more than 1 year, including employment covered by the NAF retirement plan that I am leaving, I will be given a one-time opportunity (if I never before have been given the opportunity) to elect to retain coverage in FERS, CSRS, or CSRS Offset as appropriate, or to enter the appropriate NAF plan without transfer of FERS, CSRS, or CSRS Offset service credit.

| | |
|----------------------|--------------------------|
| Employee's signature | Date <i>(mm/dd/yyyy)</i> |
|----------------------|--------------------------|

(Instructions on the reverse)

This form may be locally reproduced RI 38-134
April 2002

Print Form

Save Form

Clear Form

Figure 3: RI 38-134, Election to Retain NAF Retirement Coverage, Page 2, Instructions

**Instructions for Completing Election Form RI 38-134
Election to Retain NonAppropriated Fund (NAF) Retirement Coverage As a Result Of A
Move From A NonAppropriated Fund Position To A Civil Service Position
On or After December 28, 2001**

The Human Resources Office should:

- (1) Complete Part 1 of the form and photocopy it. The due date is 30 days after the date of appointment. (This time limit may be waived by the agency for employees who, despite due diligence, are prevented by circumstances beyond their control from making an election within the time limit.)
- (2) Give the original and the photocopy to the employee. Instruct the employee to read and acknowledge receiving the form by signing Part 2 of one copy of the form.
- (3) Collect the copy of the form the employee signed (with Parts 1 and 2 completed), and file it on the left side of the Official Personnel Folder (OPF), or in some other temporary file. Keep it there until the employee makes an election, or the time limit for making the election expires.
- (4) If the employee makes an election by signing either Option 1 or Option 2 in Part 3, mark the date you received the form. Make two photocopies of the form. File the form with the original signature in Part 3 on the right hand side of the OPF. Return one copy to the employee. Mail the other copy to the appropriate NAF benefits office. Destroy the copy of the form with Part 2 completed.

If the employee fails to return the election form before the time limit expires, note on the form with Part 2 completed that the employee did not file a form with Part 3 completed, and file it on the right hand side of the OPF.
- (5) If the employee elects to retain coverage in the NAF plan, place the Notice of NAF Election flag on the right side of the OPF. This flag will serve to alert subsequent employing offices that the employee is covered by a NAF plan and is excluded from CSRS, CSRS Offset, or FERS.

The Employee should:

- (1) Acknowledge receiving the form by signing Part 2 of one copy and returning it to the Human Resources Office.
- (2) Keep a copy of the form with only Part 1 completed.
- (3) Make a retirement coverage election by signing Option 1 or Option 2 in Part 3 of the form. Submit the election to the Human Resources Office by the Due Date shown in Part 1. If you fail to submit an election by the due date, you will be considered to have elected Option 2 in Part 3.

Link to [RI 38-134](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102a.pdf) (https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102a.pdf)

Figure 4: Notice of NAF Election

**NOTICE OF NAF ELECTION
RETIREMENT COVERAGE ELECTION UNDER SECTION 1131 OF
PUBLIC LAW 107-107**

THIS EMPLOYEE HAS ELECTED TO RETAIN COVERAGE UNDER THE NONAPPROPRIATED FUND (NAF) RETIREMENT PLAN IDENTIFIED BELOW AND IS EXCLUDED FROM COVERAGE UNDER CSRS AND FERS

For further information, contact the NAF retirement plan identified below:

| | | |
|--|--|---|
| | Department of the Army | (210) 466-1638, (DSN 450) |
| | Department of the Air Force | (210) 395-7438, (DSN 969) |
| | U.S. Marine Corps | (703) 432-0418 or (703) 432-0419 (DSN 378) |
| | Commander, Naval Installation Command | (901) 874-6651, (DSN 882) |
| | Navy Exchange Service Command | (757) 440-4718 |
| | Army and Air Force Exchange Service | (214) 312-3593, (DSN 967) |
| | United States Coast Guard | (757) 842-4793 |

Instructions for Completing Notice of NAF Election

- Complete this flag when an employee elects to continue NAF retirement coverage under Section 1131 of Public Law 107-107
- Identify the appropriate NAF retirement plan contact by marking the box to the left of the plan.
- *File this document on the right hand side of the OPF with the employee's NAF retirement election.*

APPENDIX 6B: RETIREMENT ELECTION FORMS AND INSTRUCTIONS FOR EMPLOYEES MOVING FROM CIVIL SERVICE TO NAF POSITIONS ON OR AFTER DEC 28, 2001

Table 7: Job Aid to Assist in Determining Eligibility to Retain CSRS or FERS Coverage Following a Move to a NAF Position on or after December 28, 2001

| Eligibility Criteria | Actions |
|--|--|
| <p>1. Is the move between retirement-covered positions? The employee must move from a civil service position covered by CSRS or FERS to a NAF position covered by a NAF retirement plan. Verify civil service retirement coverage and date of separation from the retirement-covered position using the model request for verification at Figure 5 of this appendix.</p> | <p>Yes. Go to step 2.</p> <p>No. If the gaining or losing position does not provide retirement coverage, the employee is not eligible to retain CSRS or FERS retirement coverage. For example, the employee cannot retain CSRS or FERS coverage if the move is to a Flexible NAF position not covered by a NAF defined benefit retirement plan.</p> |
| <p>2. Is the break in service no more than one year? The employee must begin employment in a NAF retirement-covered position no later than 1 year after separation from CSRS or FERS-covered employment. (Note: An appointment during the 1-year break which is not subject to retirement coverage does not invalidate an otherwise qualifying move.)</p> | <p>Yes. Go to step 3.</p> <p>No. If the break in service is more than one year, the employee is not eligible to retain CSRS or FERS retirement coverage.</p> |
| <p>3. Is this the employee's first opportunity to elect to retain CSRS or FERS retirement coverage? Review the OPF to determine if the employee was given a prior opportunity to elect to continue CSRS or FERS retirement coverage following a previous move from civil service to NAF. If the employee was given a prior opportunity, the OPF should contain an election form (RI 38-144 for moves on or after 12/28/01; CSRS-NAF-1 or FERS-NAF-1 for moves occurring on or after 8/10/96, but before 12/28/01; a retroactive CSRS or FERS election under P.L. 104-106; or RI 20-103 or RI-92-27 for moves occurring on or after 1/1/87, but before 8/10/96).</p> | <p>Yes. Go to step 4.</p> <p>No. If the employee was given a prior election to retain CSRS or FERS, he or she is not eligible for another opportunity to retain that coverage as a NAF employee.</p> |
| Election Procedure | Action |
| <p>4. Provide Election to Employee</p> | <p>Give employee form RI 38-144. Follow form instructions.</p> |

Figure 5: Model Request for Verification of CSRS, CSRS Offset, or FERS Retirement Coverage

Mail the request to the last servicing Human Resources Office if appointment to the NAF position is within 90 days of separation from the civil service position. If the NAF appointment is more than 90 days after the separation, mail the verification request to:

U.S. Office of Personnel Management
 Retirement Operations Center
 P.O. Box 45
 Boyers, Pennsylvania, 16017

Dear _____ :

We hired the individual named below in a retirement-covered Nonappropriated Fund position on *(Insert date of employment subject to retirement coverage)*. We are trying to determine if the individual is eligible to elect to retain CSRS, CSRS Offset, or FERS retirement coverage based on a qualifying move occurring on or after December 28, 2001. Please verify whether the individual was covered by the CSRS, CSRS Offset, or FERS retirement plan. If the individual was a participant, please provide the date the individual separated from retirement-covered civil service employment. Please return your response to:

(Insert name, address, telephone number, and fax number.)

| | |
|---|-------------------------|
| Employee's name (Last, First, MI): | Other names used: |
| Date of birth: | Social Security Number: |
| Agency in which employed in a civil service position: | Location of employment: |
| Dates of most recent employment in a retirement-covered civil service position: | |
| Please provide the following information: | |
| <input type="checkbox"/> Employee was a participant in the _____ retirement system and separated from retirement-covered employment on _____. | |
| <input type="checkbox"/> Employee was not a participant in a civil service retirement system and is therefore not eligible to continue civil service retirement coverage. | |
| Signature of certifying official: | Date: |
| Title: | |
| Address and telephone number: | |

Figure 6: Fillable Form RI 38-144, Election to Retain CSRS, CSRS Offset, or FERS

Copy provided for information purposes. HROs please use the [fillable form](#).

(<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102e.pdf>)

Election to Retain CSRS, CSRS Offset, or FERS Retirement Coverage As a Result Of A Move From A Civil Service Position To A NonAppropriated Fund (NAF) Position On or After December 28, 2001

Instructions: The Human Resources Office will complete Part 1 of this form and give it to the employee. The employee must indicate his/her election by signing in Part 3 and returning the signed form to the Human Resources Office on or before the due date shown in Part 1.

| | | |
|---|--|------------------------|
| Part 1 - (To be completed by agency) | | |
| Employee's name (<i>last, first, middle</i>) | Date of birth (<i>mm/dd/yyyy</i>) | Social Security Number |
| Name of Civil Service Retirement Plan (<i>CSRS, CSRS Offset, or FERS</i>) | Due date (<i>mm/dd/yyyy</i>) Human Resources Office must receive election on or before _____ | |
| I verify that in accordance with § 8347(q) and § 8461(n) of title 5 U.S.C., and OPM regulations at 5 CFR part 847, this employee is eligible to retain the civil service retirement plan identified in this part because he/she — | | |
| (1) Has never previously had an opportunity to elect to retain that civil service retirement coverage; and | | |
| (2) Has moved, on or after December 28, 2001, from a covered civil service appointment to a retirement covered NAF position without a break in service of more than 1 year. | | |
| Authorized signature | Date of move (<i>mm/dd/yyyy</i>) | |
| Title | Date signed (<i>mm/dd/yyyy</i>) | |
| Part 2 - Acknowledgement of Receipt and Notice of Effect of Failure to Elect | | |
| I understand that I am eligible to retain the civil service retirement coverage shown above. I acknowledge that the Human Resources Office has completed Part 1 of this election form and given it to me on this date. I understand that if I fail to complete Part 3 and return the completed form to the Human Resources Office before the close of business on the Due Date (shown in Part 1) I will automatically be considered to have chosen Option 2 in Part 3. I also understand that the option I choose below (or am automatically considered to have chosen) will restrict my retirement plan entitlement for the rest of my Government career and that I can never change this election regarding retention of civil service retirement coverage as a NAF employee. | | |
| Employee's Signature | Date (<i>mm/dd/yyyy</i>) | |
| Part 3 - Employee's Election (Instructions to employee: Sign only the box for the option that you elect.) | | |
| Option 1: I elect to retain coverage under the civil service retirement plan identified in Part 1 of this election form. I understand that because of this irrevocable decision, I will never be able to earn additional credit under any NAF retirement plan. I understand that regardless of future moves between NAF and civil service employment, breaks in service, and changes in retirement status, my retirement coverage will remain with the civil service retirement plan identified in Part 1 in accordance with the rules governing that system. | | |
| Employee's signature | Date (<i>mm/dd/yyyy</i>) | |
| Option 2: I do <i>not</i> elect to retain retirement coverage in the civil service retirement plan identified in Part 1 of this election form. Because I have made this decision: | | |
| (1) I will enter a NAF retirement plan without receiving any service credit in the NAF retirement plan for time spent under that civil service retirement plan. | | |
| (2) I will not be given another opportunity to retain coverage in that civil service retirement plan if I ever move from a civil service appointment to a NAF position in the future. However, if I move back to a civil service appointment, I will be subject to civil service retirement coverage (CSRS, CSRS Offset, or FERS) in accordance with the appropriate civil service coverage rules. | | |
| (3) If in the future I move back to civil service employment without a break in service of more than 1 year, I will be given a one time opportunity (if I never before have had the opportunity) to elect to retain membership in the NAF retirement plan or to become covered by the appropriate civil service retirement coverage (CSRS, CSRS Offset, or FERS). | | |
| Employee's signature | Date (<i>mm/dd/yyyy</i>) | |

(Instructions on the reverse)

This form may be locally reproduced

RI 38-144
April 2002

Print Form

Save Form

Clear Form

Figure 7: Fillable Form RI 38-144, Election to Retain CSRS, CSRS Offset, or FERS, Page 2, Instructions

**Instructions for Completing Election Form RI 38-144
Election to Retain CSRS, CSRS OFFSET, or FERS Retirement Coverage As a Result
Of A Move From A Civil Service Position To A DoD or Coast Guard NonAppropriated
Fund (NAF) Position On or After December 28, 2001**

The Human Resources Office should:

- (1) Complete Part 1 of the form and make a copy. The due date is 30 days after the date of appointment. (This time limit may be waived by the DoD or Coast Guard Component for employees who, despite due diligence, are prevented by circumstances beyond their control from making an election within the time limit.)
- (2) Give both copies of the form to the employee and instruct the employee to read and acknowledge receipt by signing Part 2 of one copy of the form.
- (3) Collect the copy of the form that the employee signed (with both Parts 1 and 2 completed) and file it on the left side of the Official Personnel Folder (OPF), or in some other temporary file. Keep it there until the employee makes an election, or the time limit for making an election expires.
- (4) If the employee makes an election by signing under either Option 1 or Option 2 in Part 3 of the form, mark the date you received the form. Photocopy the form. File the form with the original signature in Part 3 on the right side of the OPF, and return the other copy to the employee. Destroy the copy of the form with Part 2 completed.

If the employee fails to return the election form before the time limit expires, note on the form with Part 2 completed that the employee did not file a form with Part 3 completed, and file it on the right hand side of the OPF.
- (5) If the employee elects to retain coverage in CSRS, CSRS Offset, or FERS, place the *Notice of Civil Service Retirement Election* flag on the right side of the OPF. This flag will serve to alert subsequent employing NAF Components or civil service employers that the employee is covered by CSRS, CSRS Offset, or FERS and is excluded from coverage in a NAF retirement plan.

The Employee should:

- (1) Acknowledge receiving the form by signing Part 2 of one copy and returning it to the Human Resources Office.
- (2) Keep a copy of the form with only Part 1 completed.
- (3) Make a retirement coverage election by signing Option 1 or Option 2 in Part 3 of the form. Submit the election to the Human Resources Office by the Due Date shown in Part 1. If you fail to submit an election by the due date, you will be considered to have elected Option 2 in Part 3.

Figure 8: Notice of Civil Service Retirement Election

NOTICE OF CIVIL SERVICE RETIREMENT ELECTION

RETIREMENT COVERAGE ELECTION UNDER SECTION 1131 OF PUBLIC LAW 107-107

THIS EMPLOYEE HAS ELECTED TO RETAIN COVERAGE UNDER THE CIVIL SERVICE RETIREMENT SYSTEM (CSRS), CSRS OFF-SET, OR FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS) AND IS EXCLUDED FROM COVERAGE UNDER A NONAPPROPRIATED FUND (NAF) RETIREMENT PLAN

For further information contact:

| | |
|--|---|
| <p>DEPARTMENT OF DEFENSE DEFENSE CIVILIAN PERSONNEL ADVISORY SERVICE BENEFITS, WAGE, & NAF POLICY LINE OF BUSINESS</p> | <p>Telephone: (703)882-5197 Email: dodhra.mc-alex.dcpas.mbx.benefits-contacts@mail.mil</p> |
|--|---|

****File this document on the right side of the OPF with the employee's CSRS, CSRS Offset, or FERS retirement election.**

SECTION 7: RETIREMENT PORTABILITY - MOVES BETWEEN CIVIL SERVICE AND DOD NAF POSITIONS PRIOR TO DEC 28, 2001

7.1. ELIGIBILITY.

a. Prior to enactment of Sections 1131 and 1132 of P.L. 107-107, the retirement portability provisions of Section 1043 of P. L.104-106, and Section 7202 of P.L. 101-508 applied to moves between civil service and DoD NAF positions.

b. The eligibility criteria established by Section 1043 of P.L. 104-106 applied to employee moves occurring on or after August 10, 1996, and before December 28, 2001 (5 CFR, 847.202 (c) and (d)).

(1) The eligibility criteria applicable to DoD required the employee to move on or after August 10, 1996, between a civil service position (in any agency) and a DoD NAF position.

(2) The break in service between retirement-covered employment must not have exceeded one year.

(3) The employee must have been a vested participant in his or her retirement plan prior to the move.

(4) The employee must not have had a prior opportunity to continue the same retirement coverage based on a prior qualifying move.

c. Certain employees who moved prior to August 10, 1996, were eligible for retroactive retirement coverage elections under Section 1043 of P.L. 104-106 (5 CFR, Part 847, Subpart D). Those retroactive elections should have been made by August 11, 1997; however, waivers of this deadline were authorized for employees who did not receive notice and counseling (5 CFR, Part 847, Subpart C).

d. Prior to August 10, 1996, certain employees who met the eligibility criteria established by Section 7202 of P.L. 101-508, were entitled to a retirement coverage election opportunity (5 CFR, 847.202 (e) and (f)).

(1) The eligibility criteria applicable to DoD required the employee to move between January 1, 1987, and August 9, 1996, between a DoD civil service position and a DoD NAF position.

(2) The break in service between retirement-covered employment must not have been more than 3 days.

(3) The employee must have been a vested participant in his or her retirement plan prior to the move.

(4) The employee must not have had a prior opportunity to continue the same retirement coverage based on a prior qualifying move.

7.2. REGULATIONS AND GUIDANCE.

a. Part 847 of 5 CFR includes regulations governing retirement coverage elections for employees who moved between Civil Service and NAF prior to December 28, 2001.

b. OPM Benefits Administration Letters (BALs) and DoD policy memorandums provide policy, guidance, and retirement coverage election forms covering employee moves occurring on or after August 10, 1996, but before December 28, 2001.

(1) OPM BAL 96-107, “Retirement Election Opportunity for Certain Employees Appointed to Civil Service Positions On or After August 10, 1996, Following Service in A Nonappropriated Fund Instrumentality of the Department of Defense or Coast Guard,” dated August 20, 1996, provides general guidance and instructions. Attachment 3 of the BAL contains election form NAF-CS-1, used to document elections regarding retaining NAFI retirement coverage based on a qualifying move from NAF to civil service positions under P.L. 104-106.

(2) DASD (CPP) memorandum dated August 9, 1996, Subject: “Retirement Coverage Election under Section 1043, Public Law 104-106,” provides general guidance and DoD policy.

(3) DASD (CPP) memorandum dated October 28, 1996, Subject: “Retirement Coverage Election under Section 1043, Public Law 104-106,” provides two retirement election forms developed by OPM for NAF employees’ use: (1) FERS-NAF-1 documents elections regarding retaining FERS coverage; (2) CSRS-NAF-1 documents elections regarding retaining CSRS coverage.

c. OPM BALS and DoD policy memorandums provide policy, guidance, and retirement coverage election forms covering retroactive retirement coverage elections under Section 1043 of P.L. 104-106 for moves on or after January 1, 1966, but before August 10, 1996.

(1) OPM BAL 96-108, “Retirement Election Opportunities for Certain FERS Employees Appointed Before August 10, 1996, After Service in A Nonappropriated Fund Instrumentality of the Department of Defense or Coast Guard,” dated September 6, 1996, provides general guidance and instructions. Attachment 8 of the BAL contains two (unnumbered) election forms: (1) “Election of Retroactive NAFI Coverage by FERS Employees under Public Law 104-106,” and (2) “Election of FERS with Credit for NAFI Service Under Public Law 104-106.”

(2) DASD (CPP) memorandum dated August 9, 1996, Subject: “Retirement Coverage Election under Section 1043, Public Law 104-106,” contains DoD policy and guidance on employee and employer contributions to NAF retirement plans.

(3) DASD (CPP) memorandum dated July 14, 1997, Subject: “Retroactive Retirement Coverage Elections under Section 1043, Public Law 104-106,” and DASD (CPP) memorandum dated January 8, 1997, Subject: “Federal Retirement Thrift Investment Board Regulations Implementing Pension Portability Provisions,” provide additional DoD guidance.

d. DoD policy memorandums provide policy, guidance, and retirement election forms applicable to retirement coverage elections under Section 7202 of P.L. 101-508 for moves on or after January 1, 1987, but before August 10, 1996.

(1) DASD (CPP) memorandum dated April 16, 1991, Subject: “DoD Employee Benefit Portability Program,” provides DoD policy requirements for portability of benefits for employees moving between NAF and civil service positions within DoD without a break in service of more than 3 calendar days. Employees must have been vested in the civil service or NAF retirement plan in order to be eligible for a retirement coverage election.

(2) The DASD (CPP) April 16, 1991 memorandum provides three OPM retirement coverage election forms for retirement coverage elections under P.L. 101-508.

(a) RI 38-110, used to document an election opportunity to retain NAF retirement plan coverage,

(b) RI 20-103, used to document an election opportunity to retain CSRS retirement plan coverage, and

(c) RI 92-27, used to document an election opportunity to retain FERS retirement plan coverage.

SECTION 8: RETIREMENT PROCEDURES FOR EMPLOYEES WHO RETAINED RETIREMENT COVERAGE

8.1. NAF EMPLOYEES RETIRING UNDER CSRS OR FERS.

a. General.

(1) When a NAF employee who elected to remain in CSRS or FERS retires, the employee's NAF HRO is responsible for providing the necessary forms to the employee and initiating the processing.

(2) The NAF HRO should seek assistance from a civil service retirement specialist or the NAF benefits point of contact designated by the employer.

(a) Some Components may have specific requirements regarding whether the Component's NAF HR office or an appropriated fund HR office provide the employee's completed retirement application package to OPM. All NAF employers except Marine Corps consolidate their NAF employee's work history and then request the employee's civil service annuity estimates from their Component HR counterpart. Marine Corps uses an internal calculator to prepare their NAF employees' civil service retirement estimates.

(b) OPM is not involved in preparing employee retirement estimates prior to retirement.

(3) The NAF HRO is responsible for providing documentation of the employee's election to retain CSRS or FERS and all NAF service following the election.

(4) Find [standard forms](https://www.opm.gov/forms/standard-forms/) on OPM's website (https://www.opm.gov/forms/standard-forms/).

(5) Find [CSRS and FERS forms](https://www.opm.gov/forms/Retirement-and-Insurance-Forms/) on OPM's website (https://www.opm.gov/forms/Retirement-and-Insurance-Forms/).

(6) Find [OPM forms](https://www.opm.gov/forms/OPM-forms/) on the OPM website (https://www.opm.gov/forms/OPM-forms/).

b. Processing a NAF Employee's CSRS Retirement Application.

(1) Employees applying for immediate retirement must complete SF 2801 and accompanying forms.

(2) Employees applying for a deferred CSRS annuity must request an application form OPM 1496A from the Office of Personnel Management, Civil Service Retirement System, Retirement Operations Center, P.O. Box 45, Boyers, Pennsylvania, 16017.

c. Processing a NAF Employee's FERS Retirement Application.

(1) Employees applying for immediate retirement must complete SF 3107 and accompanying forms.

(2) For FERS employees applying for a deferred or postponed retirement, use OPM Form RI 92-19 and forward to Office of Personnel Management, Federal Employee Retirement System, Retirement Operations Center, P.O. Box 200, Boyers, Pennsylvania, 16020.

d. Disability Retirement (CSRS or FERS) Processing.

(1) Employee must complete SF 2801 and SF 3112.

(2) Applications must contain OPM Form 1510 for both CSRS and FERS covered employees.

(3) The Individual Retirement Record must be submitted with the retirement package.

e. Electing Credit for Prior NAF Service towards CSRS or FERS Retirement Eligibility.

(1) Some employees may have NAF service that occurred before their portability move and election to retain CSRS or FERS coverage. Section 1132 of P.L. 107-107 gives CSRS and FERS employees the opportunity to elect to credit any DoD or Coast Guard NAF Service that is not otherwise creditable in CSRS or FERS.

(2) The credit may only be used to establish eligibility for immediate CSRS or FERS retirement benefits.

(3) Employees who are eligible for an immediate CSRS or FERS retirement based on their non-NAF service are not eligible for this election.

(4) Section 9 of this Guide contains further information regarding elections to use NAF service to qualify for immediate CSRS or FERS retirement.

f. Continuation of Health and Life Insurance in Retirement.

(1) Post-Retirement Eligibility.

(a) NAF health and life insurance eligibility rules apply.

(b) The DoD NAF Health Benefits Program (HBP) requires 15 years of cumulative participation in the NAF HBP in order to continue health coverage in retirement. (NAF HBP post-retirement medical and dental coverage eligibility requirements are in DoDI 1400.25, Volume 1408, Paragraph 7.6.c.).

1. Continuous time in FEHB as of the day before a move from a DoD civil service position to a DoD NAF position is credited towards this requirement.

a. The move must have occurred without a break in service of more than three days.

b. Continuous participation in FEHBP, either as the sponsor or as a dependent, while employed in a position that is eligible for FEHBP enrollment, is counted as creditable service.

2. The 15-year participation requirement is waived for employees who had five years of continuous FEHB enrollment at the time of an involuntary move to NAF. This waiver also applies to employees whose positions are moved from appropriated fund to NAF under UFM authority (DoDI 1400.25, Volume 1408, Paragraph 7.6.c.(1)(b)5).

3. FEHBP participation cannot be credited in both the appropriated fund and NAF health benefit programs. Therefore, if the employee has ever been covered by FEHBP post-retirement medical coverage, only NAF HBP participation counts towards NAF HBP post-retirement medical coverage eligibility (DoDI 1400.25, Volume 1408, Paragraph 7.6.c.(1)(b)4).

(c) An employee who elected to remain in CSRS or FERS is not eligible for coverage as an annuitant in FEHBP or FEGLI upon retirement from a DoD NAF position.

(2) **Forms.** The NAF HRO completes the NAF life and health forms and submits them to the servicing NAF Benefits Office.

(3) **Premiums.** The servicing NAF Benefits Office will bill the retiree for the retiree's share of the premium. The annuitant's NAF health and life insurance premium share cannot be deducted from the CSRS/FERS annuity.

(4) **Applicable NAF Benefits Office.** The NAF benefits office is responsible for providing future NAF health and life insurance materials to those CSRS and FERS retirees eligible to continue NAF health and life insurance coverage.

(5) **If Employee is Not Eligible for NAF Health Insurance.** If the employee is not eligible to carry NAF health insurance into retirement, the NAF HRO must advise the employee of any Temporary Continuation of Coverage (TCC) eligibility.

g. Sick Leave. Sick leave is credited in accordance with the rules of the employee's retirement system.

(1) CSRS employees receive credit for unused sick leave upon retirement with an immediate annuity.

(2) FERS employees who retire on an immediate annuity receive full credit for unused sick leave, as long as the separation occurred on or after January 1, 2014.

(3) See CSRS & FERS rules for complete guidance.

h. Continuation of Long-Term Care Insurance.

(1) Long-term care insurance coverage continuation rules are the same as for all NAF employees employed by the Component. All Components except Air Force provide NAF employees with long-term care insurance. Components offering long-term care provide coverage under the Federal Long Term Care Insurance Program (FLTCIP). However, a retiring employee could be participating in a Component grandfathered NAF plan. The servicing NAF HRO is responsible for advising the employee and processing the appropriate forms.

8.2. DOD CIVIL SERVICE EMPLOYEES RETIRING UNDER A NAF RETIREMENT SYSTEM.

a. General.

(1) The civil service HRO contacts the applicable NAF retirement benefits office (addresses in Section 12 of this Guide) to obtain the retirement package documents.

(2) The civil service HRO provides the NAF retirements benefits office with documentation of the employee's election to retain the NAF retirement plan, and a listing of all civil service following the election.

(3) The NAF retirement benefits office will provide a retirement estimate to the employee.

b. Processing a Civil Service Employee's NAF Retirement Application.

(1) If all requirements for retirement under the NAF retirement plan are met, the civil service HRO documents the retirement SF-50, using codes and remarks provided in the "[Guide for Processing Personnel Actions](#)". See Chapter 30, "Retirements" (<https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/processing-personnel-actions/gppa30.pdf>).

(a) Use Table 30-A for "Documenting Retirements," regarding "A retirement system other than the Civil Service Retirement System or Federal Employees Retirement System." Use the appropriate NOAC and authority code "USM." Cite the appropriate portability legislation as the authority, i.e., P.L. 101-508, P.L. 104-106, or P.L. 107-107.

(b) Use Table 30-B, "Remarks Required for Retirement Actions," and Table 30-C, "Remarks and Codes" to find the proper codes and remarks. Include Table 30-B remark B63, "Elected to retain coverage under a retirement system for NAF employees."

(2) The applicable NAF retirement benefits office will provide the appropriate NAF forms and process the completed employee application.

c. Sick Leave. Credit for the employee's appropriated fund sick leave balance applies to NAF retirement in accordance with the rules of the employee's NAF retirement plan.

d. Continuation of Federal Employee Health Benefit (FEHB) Insurance in Retirement. FEHB eligibility and coverage rules apply.

(1) Post-Retirement Eligibility.

(a) Under FEHB rules, to continue coverage in retirement, the employee must retire on an immediate annuity.

1. The Nonappropriated Fund Retirement System is a qualifying retirement system. (See the FEHB Handbook list of qualifying retirement systems at https://www.opm.gov/healthcare-insurance/healthcare/reference-materials/reference/annuitants-and-compensations/#QUALIFYING_RETIREMENT_SYSTEMS).

2. A civil service employee who elects to remain in a NAF retirement plan and subsequently retires from the civil service on an immediate annuity under the NAF retirement system is an annuitant for purposes of FEHB coverage eligibility. See definitions in Title 5, U.S.C. Chapter 89, Health Insurance, Title 5, U.S.C. 8901(3)(A)(iv).

(b) Under FEHB rules, employees must have participated in FEHB for the five years immediately preceding retirement. The employee may qualify with less than five years participation, if the employee participated in FEHB during all civil service since the first opportunity to enroll in FEHB.

(c) Employees retiring from a civil service position may not elect NAF health insurance.

(2) **Survivor Benefits.** FEHB rules require that a surviving spouse be eligible for a survivor annuity in order to continue FEHB coverage. Therefore, civil service HROs should remind civil service employees who retained NAF retirement coverage that they must elect NAF retirement plan survivor benefits through the NAF retirement benefits office in order for a spouse to continue FEHB upon the retiree's death. The employee's NAF retirement benefits office should also emphasize this point when providing NAF retirement plan estimates and information to the retiring employee.

(3) **Forms.** The civil service HRO completes the same FEHB forms used for employees retiring under CSRS or FERS, then transmits those forms to the NAF retirement benefits office.

(4) **Premiums.**

(a) The NAF retirement plan is responsible for forwarding the annuitant portion of the FEHB premium, which is deducted from the retiree's NAF annuity. If the annuity is not adequate to pay the employee's share of the premium, the employee may pay directly to the applicable NAF retirement system. (See the FEHB healthcare references information on annuitants' benefits and cost at <https://www.opm.gov/healthcare-insurance/healthcare/reference-materials/reference/annuitants-and-compensations/>.) If an individual's annuity is not sufficient to pay the plan's premiums, the retirement system must notify the enrollee of the plans available at a cost that doesn't exceed the annuity. An enrollee may either pay his/her premiums directly

to the retirement system or may enroll in another plan where the cost is no greater than the annuity.

(b) The agency share of the annuitant premium is paid by OPM. However, to enable OPM to determine the appropriate government share, the NAF retirement benefits office must show the government share on the SF 2812.

(5) **Open Season Materials.** The applicable NAF retirement benefits office is responsible for providing FEHB open season materials and information to NAF retirement plan annuitants and survivors covered by FEHB.

(6) **If Employee is Not Eligible for FEHB.** If the employee is not eligible to carry FEHB into retirement, FEHB is terminated using the SF 2810. The civil service HRO must offer the employee a 31-day extension of coverage, conversion privileges, and Temporary Continuation of Coverage (TCC). If the employee enrolls in TCC, the civil service HRO follows the same procedures as for any other TCC enrollment and sends the completed forms to the National Finance Center.

e. Continuation of Federal Employee Dental and Vision Insurance Program (FEDVIP) Coverage in Retirement.

(1) FEDVIP eligibility requirements use the same definition of “annuitant” as FEHB. Civil service employees retiring on an immediate or disability NAF annuity are eligible for the FEDVIP enrollee pay-all dental and vision benefits. (See the annuitant definitions in Title 5, U.S.C. 8951 (dental), Title 5, U.S.C. 8981 (vision), and 5 CFR 894.101.)

(2) Unlike FEHB, FEDVIP does not require coverage for 5 years of service before retirement in order to continue coverage as an annuitant. Employees can enroll in FEDVIP for the first time after retirement, as long as they are eligible as an annuitant. For more information, see the FEDVIP information at <https://www.opm.gov/healthcare-insurance/dental-vision/eligibility/>.

(3) Annuitants must use BENEFEDS, the enrollment and premium processing system sponsored by OPM, to enroll in FEDVIP. BENEFEDS includes a secure website and a call center. Annuitants can enroll online at www.BENEFEDS.com or by telephone at 1-877-888-3337, TTY 1-877-889-5680.

(4) NAF retirement systems may be able to deduct FEDVIP annuitant premiums from the NAF annuity. Otherwise, the annuitant may arrange for direct billing through BENEFEDS.

f. Continuation of Federal Employee Group Life Insurance (FEGLI) in Retirement. FEGLI eligibility and coverage rules apply.

(1) **Post-Retirement Eligibility.**

(a) Under FEGLI rules, to continue coverage in retirement, the employee must retire on an immediate annuity under a retirement system established for civilian employees, including the retirement system of a DoD NAF instrumentality (5 CFR 870.101 and 5 CFR 870.701).

(b) Under FEGLI rules, employees must have been insured under FEGLI for the 5 years of service immediately before the date the annuity starts. The employee may qualify with less than five years, if the employee was insured for the full period(s) of service during which he/she was eligible to be insured. (For more information, see the Federal Employees' Group Life Insurance (FEGLI) Program Handbook at <https://www.opm.gov/healthcare-insurance/life-insurance/reference-materials/handbook.pdf>. A pamphlet for retirees and their families is at <https://www.opm.gov/retirement-services/publications-forms/pamphlets/ri76-12.pdf>.)

(c) Employees retiring from a civil service position may not elect NAF life insurance.

(2) **Forms.** The April 2014 OPM FEGLI Handbook contains a section under “Qualifying Retirement Systems” entitled: “Certification of Insured Employee's Retired Status.” In that section is the following requirement: If an employee retires under a system other than CSRS or FERS, the administering agency/office of that system must certify the employee’s retirement status to OPM on the SF 2820 “Certification of Insured Employee's Retired Status”.

(a) OPM will determine whether the employee meets the requirements for continuing insurance as an annuitant. OPM will notify the employee and the administering agency/office of their decision. If the employee is eligible to continue coverage, OPM’s Retirement Operations Center will maintain the employee’s life insurance file.

(b) If the employee is eligible and chooses to continue coverage as an annuitant, the employee completes a “Continuation of Life Insurance Coverage” form (SF 2818). On this form, the employee elects the type and amount of FEGLI to continue.

(c) OPM will give the employee a CSI (“Civil Service Insurance”) file number and a letter explaining the value of the life insurance. OPM will send a duplicate copy of the SF 2820 back to the administering agency of the retirement system.

(3) **Premiums.** OPM pays the Government contribution for the annuitant. The NAF retirement plan is responsible for forwarding the annuitant portion of the FEGLI premium, which is deducted from the retiree’s NAF annuity. (See the FEGLI annuitant premium rates at <https://www.opm.gov/healthcare-insurance/life-insurance/program-information/#url=Premiums-for-Annuitants>.)

g. Continuation of Long Term Care Insurance in Retirement.

(1) Annuitant Eligibility.

(a) A civil service employee who retires from a NAF retirement plan is subject to the same eligibility criteria as an employee who retires from CSRS or FERS. (Applicable definitions of annuitant and employee are found in Title 5, U.S.C. 9001 and 5 CFR 875.201).

(b) Employees who are enrolled in FLTCIP at the time of retirement may keep coverage as long as they pay premiums. If not enrolled at the time of retirement, annuitants may apply at any time, using the full FLTCIP application and underwriting process. Further information is found on the OPM website at <https://www.opm.gov/healthcare-insurance/fastfacts/lcretirement.pdf>, <https://www.opm.gov/healthcare-insurance/long-term-care/>, and the FLTCIP website at LTCFEDS.com.

(2) Premiums.

(a) Employees must contact Long Term Care Partners to let them know of a pending retirement. The Long Term Care Partners will work with the NAF retirement system to determine whether premiums can be deducted from the annuity or paid directly by the annuitant. The Long Term Care Partners phone number is 1-800-LTCFEDS (1-800-582-3337).

SECTION 9: CREDITING DOD NAF SERVICE FOR CSRS OR FERS IMMEDIATE RETIREMENT - SECTION 1132 OF P.L. 107-107

9.1. GENERAL.

a. Section 1132 of P.L. 107-107 gives CSRS and FERS employees the opportunity to elect to credit DoD or Coast Guard NAF Service that is not otherwise creditable in CSRS or FERS.

b. The credit may only be used for the purpose of establishing eligibility for immediate CSRS or FERS retirement benefits. Employees who are eligible for an immediate CSRS or FERS retirement based on their non-NAF service are not eligible for this election.

9.2. ELIGIBILITY. Employees covered by CSRS, CSRS Offset, FERS (including FERS-RAE and FERS-FRAE) may elect to use NAF service to qualify for immediate retirement. The employee must:

a. Have at least 5 years of civil service creditable under CSRS or FERS and qualify for a deferred CSRS or FERS retirement, and

b. Not qualify for an immediate CSRS or FERS retirement using non-NAF service.

9.3. REGULATIONS AND GUIDANCE.

a. Regulations covering this election are found in 5 CFR, Part 847, Subparts H and I.

b. Servicing HROs should follow the procedures outlined in [OPM Benefits Administration Letter 03-102](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2003/03-102.pdf), (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2003/03-102.pdf>). BAL 03-102 contains examples of who can make the election, information on how to credit NAF service, and procedures for notifying the appropriate NAF retirement plan and verifying NAF employment.

c. Appendix 9A contains job aids and copies of relevant forms.

9.4. EFFECT OF ELECTION ON CSRS OR FERS ANNUITY.

a. As discussed in BAL 03-102, it is important that employees contact their agency's Benefits Office for counseling before deciding they want to use the NAF service to qualify for an immediate annuity. Benefits Office staff will compute annuity estimates allowing employees to compare the amount of the benefit they would receive if they use NAF service to retire to the benefit they would receive if they continued to work until they qualified for immediate retirement without using NAF service.

b. Using credit for NAF service under P.L. 107-107 provisions will not result in a higher CSRS or FERS annuity benefit. In addition, employees electing to use NAF service to qualify

for an immediate CSRS or FERS annuity receive an annuity that is actuarially reduced to offset the additional cost to the CSRS or FERS retirement fund. Therefore, employees should consider whether it would be more advantageous to work the additional years required to qualify for retirement without using NAF service.

c. BAL 03-102 describes how to compute the CSRS or FERS annuity when employees elect to credit prior NAF service. Employees cannot make deposits to CSRS or FERS to cover the NAF service and NAF retirement deductions and contributions cannot be transferred to CSRS or FERS.

d. An employee who elects to credit NAF service to qualify for immediate FERS retirement eligibility is not eligible for a FERS annuity supplement (5 CFR 847.911; BAL 03-102).

9.5. EFFECT OF ELECTION ON NAF RETIREMENT BENEFIT. NAF service used to qualify for an immediate retirement from CSRS or FERS cannot be used under a NAF retirement system for any purpose. Employees should also consider whether they will have to give up any NAF retirement benefit in order to use the NAF service towards CSRS or FERS retirement.

a. Employees must complete the NAF service credit election form, [RI 38-145](#), and submit it to their employing agency before the actual retirement date. Submit the form as part of the retirement package to the appropriate Benefits Office. If the employee elects to use prior NAF service, forward a copy of the employee's election to the appropriate NAF employer. The HRO should attach a "[flag](#)" to the retirement package to alert OPM to the credit.

b. A copy of the election form, [RI 38-145](#), and the "[flag](#)" are in Appendix 9A. HROs should use the fillable form RI 38-145 at Attachment 3 to BAL 03-102 (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2003/03-1023.pdf>).

c. The election "flag" is [Attachment 5 to BAL 03-102](#) (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2003/03-1025.pdf>).

d. See BAL 03-102 for additional processing and documenting information.

APPENDIX 9A: FORMS AND INSTRUCTIONS FOR CREDITING DoD OR COAST GUARD NAF SERVICE FOR CSRS OR FERS IMMEDIATE RETIREMENT

Table 8: Job Aid - Eligibility to Credit DoD or Coast Guard NAF Service for CSRS or FERS Immediate Retirement on or after December 28, 2001

| <i>A. Eligibility Criteria</i> | <i>Actions</i> |
|---|--|
| <p>1. Does the employee need the credit for NAF service in order to qualify for immediate CSRS or FERS retirement? Review the OPF to determine if employee is eligible for an immediate CSRS or FERS retirement based on civil service alone.</p> | <p>Yes. Go to step 2.</p> <p>No. If the employee qualifies for an immediate CSRS or FERS retirement based on non-NAF service, he or she is not eligible for the election.</p> |
| <p>2. Does the employee have at least 5 years of creditable non-NAF civilian service and qualify for a deferred retirement benefit? 5 C.F.R. part 847, subpart H, requires the employee to have enough otherwise creditable civilian service to qualify for deferred retirement.</p> | <p>Yes. Go to step 3.</p> <p>No. If the employee is not eligible for a deferred annuity based on non-NAF service, he or she is not eligible for an election to credit NAF service.</p> |
| <p>3. Does the employee have enough combined civil service and NAF service to qualify for immediate CSRS or FERS retirement? Verify NAF service using the attached model request for verification of NAF service. See Section 12 of this Reference Guide for the most recent contact information for NAF employers. Use the address list for information about NAF employment and OPFs—not the NAF retirement plan points of contact. NAF employers will return the completed verification of NAF Service Form (also attached). Employees cannot use NAF service that is already creditable under Title 5, U.S.C. 8332(b)(16) or 5 CFR part 847, subpart D. (Note: Any NAF service that is not already creditable for CSRS or FERS retirement may be used. This includes NAF service that was not covered by a NAF retirement plan.)</p> | <p>Yes. Go to Step 4.</p> <p>No. If the additional NAF service does not qualify the employee for an immediate retirement, no election can be made. Elections to credit prior NAF service must be made at the time of retirement.</p> |
| <i>Election Procedure</i> | <i>Action</i> |
| <p>4. Provide Election to Employee</p> | <p>Give employee form RI 38-145. Follow instructions for completing the form, including how to provide an estimate of the employee’s annuity both with and without the NAF service.</p> <p>If the employee elects to use prior NAF service, forward a copy of the employee’s election to the appropriate NAF employer.</p> |

Figure 9: Request for Verification of NAF Service - Attachment 4, BAL 03-102

Appropriate NAF Employer's Address

Dear Nonappropriated Fund Employer:

We are writing on behalf of (*insert employee's name, date of birth, Social Security Number*), requesting verification of his/her service with the nonappropriated fund (NAF) instrumentality listed below. This employee is considering using that NAF service to qualify for immediate retirement under the Civil Service Retirement System (CSRS) / Federal Employees Retirement System (FERS) in accordance with Section 1132 of Public Law 107-107.

| Nonappropriated Fund Employer | Beginning Date of Service | Ending Date of Service |
|-------------------------------|---------------------------|------------------------|
| | | |
| | | |
| | | |

Using the enclosed form, Verification of Nonappropriated Fund (NAF) Service Pursuant to an Election under Section 1132 of Public Law 107-107, please:

- verify the dates of the employee's service for the period(s) listed above;
- provide the total hours the employee worked if the employee did not work a full-time schedule and can only get credit for time actually worked;
- indicate whether or not the employee received a refund of his/her retirement monies (if the employee did not participate in a NAF retirement plan, indicate "not applicable"); and
- indicate how an election to use the NAF service listed above to qualify for an immediate CSRS or FERS retirement would affect the employee's rights to retirement benefits under the NAF retirement plan. (If the employee elects to use the NAF service listed above to qualify for an immediate CSRS or FERS retirement, that NAF service cannot be credited for any purpose under any retirement system provided for NAF employees.)

If the employee elects to use the NAF service listed above to qualify for an immediate CSRS or FERS retirement, we will provide you with a copy of the employee's election form.

Please send or fax your response to:

Agency Address and Fax Number

If you have any questions concerning this request please contact:

name of agency contact, phone number, and email address

Thank you for your assistance.

Sincerely,

Signature of agency official

Figure 10: Verification of NAF Service - Attachment 4, BAL 03-102

**VERIFICATION OF NONAPPROPRIATED FUND (NAF) SERVICE
PURSUANT TO AN ELECTION TO CREDIT NAF SERVICE FOR IMMEDIATE CIVIL SERVICE
RETIREMENT UNDER SECTION 1132 OF PUBLIC LAW 107-107**
(completed by appropriate NAF employer)

| Part 1 – Identifying Information | | | | |
|--|----------------|------------------------|--|---|
| Employee's Name | Date of Birth | Social Security Number | | |
| Other Names Used | | | | |
| Part 2 – Verification of Service (mark the appropriate box) | | | | |
| <input type="checkbox"/> We are unable to locate any records of service with this component. | | | | |
| <input type="checkbox"/> The individual named in Part 1 performed the following service as an employee paid from nonappropriated funds. (Please note, we are only providing information about the service identified in the request for verification of service.) | | | | |
| NAFI and Location | Beginning Date | Ending Date | Actual Hours Worked If Other Than Full -Time | Retirement Monies Refunded? (yes/no/not applicable) |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Part 3 – NAF Retirement Eligibility (mark the appropriate box) | | | | |
| <input type="checkbox"/> The employee is not eligible for a NAF retirement benefit (immediate or deferred), therefore the election to credit the service listed in Part 2 for CSRS or FERS retirement eligibility purposes does not affect eligibility for NAF benefits. | | | | |
| <input type="checkbox"/> The employee is eligible for a NAF retirement benefit (immediate or deferred) only if the service listed in Part 2 remains creditable for NAF retirement purposes. If the employee elects to credit that service for CSRS or FERS retirement eligibility purposes, the employee must request a refund of NAF retirement monies and give up his or her rights to the NAF retirement benefit. | | | | |
| <input type="checkbox"/> The employee is eligible for a NAF retirement benefit (immediate or deferred). Electing to use the service listed in Part 2 for CSRS or FERS retirement eligibility purposes does not affect the employee's eligibility for the NAF retirement benefit. However, the election would reduce the amount of his or her NAF retirement benefit | | | | |
| Part 4 – Certification | | | | |
| Signature of Certifying Official | | | Date | |
| Printed Name | | | Title | |
| Phone Number | | | Fax Number | |
| Address | | | | |

Figure 11: RI 38-145, Election to use NAF Service to Qualify for Immediate Retirement under CSRS or FERS

Sample below provided for information. Use fillable form [RI 38-145](#).

Election to Use NonAppropriated Fund (NAF) Service to Qualify for Immediate Retirement Under the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS) in Accordance with Section 1132 of Public Law 107-107

| Part 1 - (To be completed by employing agency) | | |
|--|--|---|
| Employee's name (last, first, middle) | Date of birth (mm/dd/yyyy) | Social Security Number |
| Date of retirement (mm/dd/yyyy) | Type of separation <input type="checkbox"/> Voluntary <input type="checkbox"/> Involuntary | Amount of NAF service needed to qualify for immediate CSRS or FERS retirement <input type="text"/> years <input type="text"/> months <input type="text"/> days |
| Date employee would first qualify for CSRS or FERS retirement benefits if NAF service were not used to qualify for immediate retirement (mm/dd/yyyy) | | |
| Annuity Estimates | | |
| 1. If you elect to use your NAF service to qualify for immediate CSRS or FERS retirement: | | |
| <ul style="list-style-type: none"> Your gross monthly retirement benefit is estimated to be \$ _____ The gross monthly survivor benefit payable to your spouse is estimated to be \$ _____ | | |
| 2. If you do not elect to use NAF service to qualify for immediate CSRS or FERS retirement: | | |
| <ul style="list-style-type: none"> Your gross monthly retirement benefit as of the date you first qualify for CSRS or FERS benefits without NAF service is estimated to be \$ _____ The gross monthly survivor benefit payable to your spouse is estimated to be \$ _____ | | |
| Signature of Authorized Agency Official | Phone number | Date (mm/dd/yyyy) |
| Part 2 - (To be completed by employee) | | |
| I elect to use my NAF service listed below to qualify for an immediate retirement benefit under the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). I understand: | | |
| <ul style="list-style-type: none"> This NAF service cannot be used to increase the amount of my CSRS or FERS benefit; My benefit will be reduced to ensure that it is actuarially equivalent to the present value of the deferred annuity I would receive if I leave government service and do not use the NAF time to qualify for immediate retirement; If I am covered under FERS, I am not eligible to receive the FERS Annuity Supplement; and This NAF service cannot be credited for any purpose under any retirement system provided for NAF employees. | | |
| NonAppropriated Fund Employer and Location | Beginning Date (mm/dd/yyyy) | Ending Date (mm/dd/yyyy) |
| | | |
| | | |
| | | |
| Employee's signature | Date (mm/dd/yyyy) | |

(Instructions on the reverse)

This form may be locally reproduced

PRINT

RESET FORM

SAVE

RI 38-145
January 2003

**Instructions for Completing Election Form RI 38-145
Election to Use NonAppropriated Fund (NAF) Service to Qualify for
Immediate Retirement Under the Civil Service Retirement System (CSRS)
or the Federal Employees Retirement System (FERS)**

Part 1 - To Be Completed by the Employing Agency Human Resources or Benefits Office

- Enter the employee's name, date of birth and social security number.
- Enter the date the employee wants to retire.
- Indicate whether the employee has decided to voluntarily separate and receive retirement benefits or whether the employee is facing an involuntary separation. (An employee cannot use NAF service to qualify for a Discontinued Service Retirement if the separation is involuntary and for cause on charges of misconduct or delinquency.)
- Enter the amount of NAF service needed to qualify for immediate CSRS or FERS retirement benefits as of the date of retirement.
- Determine the date the employee would first qualify for CSRS or FERS retirement benefits if NAF service were not used for CSRS or FERS retirement.
 - If the employee has the option to continue working, enter the earliest date the employee would qualify for immediate retirement benefits if the employee continued to work.
 - If the employee does not have the option to continue working (that is if the employee is facing an involuntary separation), enter the earliest date the employee would qualify for a deferred retirement benefit.
- Provide an estimate of the gross monthly rate payable to the employee if the employee elects to use NAF service to qualify for immediate retirement. If the employee elects to provide a survivor benefit, provide an estimate of the survivor benefit monthly rate as well. (Compute these estimates following the instructions provided in Attachment 2 of Benefits Administration Letter 03-102.)
- Provide a second estimate showing the gross monthly rate payable to the employee if NAF service is not used to qualify for immediate retirement. This estimate should reflect the benefit payable as of the date the employee would first qualify for CSRS or FERS retirement benefits without NAF service. If the employee elects to provide a survivor benefit, provide an estimate of the survivor benefit monthly rate as well.
- Sign the form, date it, and provide your phone number.
- After completing Part 1, give the form to the employee to complete Part 2.
- When the employee returns the completed election form, make two copies of it. Attach the original to the employee's retirement application package along with the verification of NAF service you obtained from the appropriate NAF employer. Send a copy of the election to the appropriate NAF employer and file a copy in the employee's Official Personnel Folder.

Part 2 - To Be Completed by the Employee

- Identify the NAF service that you want to use to qualify for immediate CSRS or FERS retirement benefits. Provide the name of the NAF employer, the location of employment, the date the service began, and the date the service ended. (Note, you must enter complete periods of service. For example, if you need 1 year and 6 months of NAF service to qualify for an immediate CSRS or FERS retirement benefit, and you performed service with a NAF from January 15, 1977 to July 3, 1979, you should enter the entire period of NAF service.)
- Sign and date the form.
- Make a copy of the form for your records. Return the original to your Human Resources or Benefits office along with your application for immediate retirement benefits.

Reverse of RI 38-145
January 2003

Figure 12: NAF Service Credit Election Flag

Sample below provided for information. From [BAL 03-102, Attachment 5](#)



SECTION 10: PROCESSING BENEFITS RELATED TO DEATH OF EMPLOYEES AND RETIREES WHO RETAINED RETIREMENT COVERAGE UNDER PORTABILITY PROVISIONS

10.1. DEATH OF ACTIVE NAF EMPLOYEE WHO RETAINED CSRS OR FERS.

a. In establishing a case file for the deceased, see the [DCPAS Death in Service Employee Guide](https://www.dcpas.osd.mil/Content/documents/BWN/Death%20in%20Service.pdf)) (<https://www.dcpas.osd.mil/Content/documents/BWN/Death%20in%20Service.pdf>) for information applicable to CSRS/FERS retirement. The Death Benefit Chapters in OPM's [Civil Service Retirement System \(CSRS\) and Federal Employees Retirement System \(FERS\) Handbook for Personnel and Payroll Offices](#), provides additional information (<https://www.opm.gov/retirement-services/publications-forms/csrsfers-handbook>).

b. If the deceased employee participated in TSP, the NAF HRO provides Form TSP-17, "Information Relating to Deceased Participant," to the survivor or designated beneficiary and assists with reporting the death to TSP. For complete instructions, see section 2 of the [DCPAS Death in Service Employee Guide](#). Additional guidance is found on the TSP website at <https://tsp.gov>. A Thrift Savings Plan booklet, "[Death Benefits: Information for Participants and Beneficiaries](#)," found at <https://www.tsp.gov/publications/tspbk31.pdf>, provides helpful information.

c. The NAF HRO processes the same NAF health, life, and other group insurance forms as for any other NAF employee.

d. OPM's Retirement Operations Center may be reached by e-mail at retire@opm.gov, or by phone: 888-767-6738.

10.2. DEATH OF RETIRED NAF EMPLOYEE WHO RETAINED CSRS OR FERS.

a. Family members should submit death benefits applications to: Office of Personnel Management, Retirement Operations Center, ATTENTION: Survivor Processing Section, Post Office Box 45, Boyers, Pennsylvania 16017-0045.

b. OPM provides family members [instructions](#) for submitting death benefit applications (<https://www.opm.gov/retirement-services/my-annuity-and-benefits/life-events/death/report-of-death/>).

c. Report [annuitant deaths](#) on-line at <https://rsreporting.opm.gov/AnnuitantDeath>. You may contact OPM by phone at 1-888-767-6738.

d. When reporting the death of someone who receives CSRS or FERS benefits, provide OPM with the full name of the deceased and date of death, as well as the retirement claim number, and Social Security number.

e. Survivors or designated beneficiaries of annuitants participating in the Thrift Savings (TSP) must complete [Form TSP-17](#), Information Relating to Deceased Participant and send it to TSP along with a certified copy of the death certificate. Additional guidance is found on the TSP website at <https://tsp.gov>. A Thrift Savings Plan booklet, “[Death Benefits: Information for Participants and Beneficiaries](#),” found at <https://www.tsp.gov/publications/tspb31.pdf>, provides helpful information.

f. The NAF HRO processes the same NAF health and life insurance forms as for any other retired NAF employee.

g. OPM’s Retirement Operations Center may be reached by e-mail at retire@opm.gov, or by phone: 888-767-6738.

10.3. DEATH OF ACTIVE CIVIL SERVICE EMPLOYEE WHO RETAINED NAF RETIREMENT COVERAGE.

a. When a civil service employee covered by a NAF retirement plan dies, the civil service HRO contacts the applicable NAF retirement benefits office listed in Section 12 of this Guide.

b. The NAF retirement benefits office provides the appropriate NAF retirement plan or survivor benefit forms for completion by next of kin.

c. The NAF retirement benefits office processes the completed forms.

d. The civil service HRO processes the same FEGLI and FEHB forms as it would for any other civil service employee. Refer to the DCPAS Death in Service Employee Guide.

e. The civil service HRO processes the Request for Personnel Action (RPA) NOA 350 Death for the SF50 Notification of Personnel Action.

10.4. DEATH OF RETIRED CIVIL SERVICE EMPLOYEE WHO RETAINED NAF RETIREMENT COVERAGE.

a. When a civil service retiree covered by a NAF retirement plan dies, the survivor should notify the applicable NAF retirement benefit office listed in Section 12 of this Guide as soon as possible.

b. The NAF retirement benefits office will provide the appropriate death benefits application forms, inform survivors of their entitlement, and prepare and process the appropriate FEHB/FEGLI forms.

c. The DCPAS Death in Service Employee Guide on processing death benefits for civil service employees may be useful to NAF retirement benefits office in assisting survivors of NAF retirement plan annuitants who have civil service health and life benefits

d. The OPM Federal Employees Group Life Insurance Handbook is found at <https://www.opm.gov/healthcare-insurance/life-insurance/reference-materials/handbook.pdf>. That Handbook has a section entitled: “Notifying OPM of a Retiree’s Death under a Qualifying Retirement System.” The April 2014 version of the Handbook states that if an employee dies as a retiree insured under a system other than CSRS or FERS, the survivors must inform the retirement system administrator of the employee’s death. NAF retirement plan points of contact are found in Section 12 of this Guide in Table 10. Once notified, the NAF retirement system will notify OPM by completing the Agency Report of Termination of Retired Status (bottom block) on the form SF 2820 and preparing a letter/memo with the name of the deceased and the date of death. This information must be faxed or sent to OPM, Survivor Processing Branch. The fax number is 724-794-1263. The address is: OPM, Retirement Operations Center, PO Box 45, Boyers, Pennsylvania 16017-0045.

SECTION 11: PROCESSING CORRECTIONS TO RETIREMENT SYSTEM COVERAGE

11.1. GENERAL.

- a. Retirement portability errors occur when appointing HROs, payroll offices, or benefits experts fail to offer an eligible employee a retirement election opportunity, fail to implement a valid retirement election, or place the employee in the wrong retirement system.
- b. When a retirement portability error is discovered, the servicing HRO must review the law, regulation, and policy covering the move and apply the appropriate error correction procedures.
- c. The DoD and OPM guidance applicable to the date of the move and the retirement system involved apply.
- d. All retroactive corrections must comply with IRS regulations for corrective actions.
- e. Component servicing HROs and benefit experts should consult Component Headquarters staff when making necessary retirement coverage corrections. DCPAS Benefits, Wage & NAF Policy LoB retirement policy experts are available to assist Component Headquarters as needed.

11.2. CORRECTING ERRORS RELATED TO ELECTIONS TO CONTINUE RETIREMENT COVERAGE AFTER A QUALIFYING MOVE.

- a. If there is a suspected error in retirement coverage following a qualifying portability move, the servicing HRO must determine whether a retirement election was offered to the employee, and whether a valid election was processed correctly. The HRO uses documents in the employee's OPF and information from the losing employer to make those determinations.
- b. If the servicing HRO confirms retirement portability eligibility and finds that the employee was not given the opportunity to make an election, or was prevented from making an election during the time limit, the time limit may be waived (5 CFR 847.206).
 - (1) If the employee elects to retain the losing system's retirement plan, the servicing HRO must remove the employee from the gaining system's defined benefit and defined contribution plans and cover the employee retroactively under the losing system's plans.
 - (2) Elections are retroactively effect on the date of the move, (the date the individual entered into the new position) consistent with 5 CFR 847.202 (g) and 5 CFR 847.207.
- c. If the employee made an election at the time of the move, but the election was not processed correctly, the employee's retirement coverage must be corrected.
 - (1) The employee cannot be permitted to change the original retirement election. An employee's election is irrevocable when received by the employing agency (5 CFR 847.208).

(2) The servicing HRO must remove the employee from the erroneous defined benefit and defined contribution plans and cover the employee retroactively under the correct elected retirement plan.

d. Follow FERS and TSP error correction procedures for civil service retirement funds.

e. TSP administrative error corrections are found at 5 CFR 1605 (see 5 CFR 1605.14).

f. OPM Payroll Office Letter Number P-96-06, Subject: Elections of Retirement Coverage by Employees of Nonappropriated Fund Instrumentalities, dated November 5, 1996, contains specific information on removing employees from FERS and TSP

(<https://www.opm.gov/retirement-services/publications-forms/payroll-office-letters/1997/p-96-06.pdf>). However, the DoD payroll office contact list in that document is out of date. Current payroll office points of contact are included in Section 12 of this Guide.

g. Follow the NAF Component retirement plan procedures to correct NAF defined benefit and defined contribution funds.

h. If an employee was erroneously put under a civil service plan instead of the correct NAF Plan, the IRS rules apply regarding the NAF 401 K contributions. IRS guidance is found on the IRS website. Specifically, see <https://www.irs.gov/retirement-plans/401k-plan-fix-it-guide-eligible-employees-were-not-given-the-opportunity-to-make-an-elective-deferral-election-excluding-eligible-employees>.

i. The Defense Finance and Accounting Service (DFAS) desk guide, “NAF Retirement Code Change Process,” provides DFAS civilian payroll offices with instructions on processing retirement code changes from a non-NAF plan to a NAF plan. Valuable information may also be available to DFAS payroll customers on the DFAS website, <https://intelshare.intelink.gov/sites/dfas/DCPS/SitePages/Home.aspx>.

j. The Federal Erroneous Retirement Coverage Corrections Act (FERCCA) procedures do not directly apply to employees who were erroneously placed in a civil service retirement system plan instead a NAF retirement plan.

k. At the time of this Guide’s development, there are no official instructions on correcting DCPDS coding to implement a change from FERS to NAF. One of the Components developed an unofficial workaround to make the necessary retirement code change. This correction method is at Appendix 11A.

11.3. CORRECTING ERRORS IN RETIREMENT COVERAGE ELECTIONS AVAILABLE UNDER THE RETROACTIVE PROVISIONS OF SECTION 1043(C)(2), P.L. 104-106.

a. The retroactive provisions of section 1043(c)(2) of P.L. 104-106 apply to employees who made a qualifying move after December 31, 1965, and before August 10, 1996. Regulations are found in 5 CFR Part 847, Subparts C, D, E, F, and G.

a. If there is a suspected error in the retirement coverage of an employee who made a move covered by the retroactive provisions of P.L. 104-106, the servicing HRO must determine whether the employee was given timely notice and counsel of the election opportunity and whether a valid election was processed correctly. The HRO uses documents in the employee's OPF and information from the losing employer to make those determinations. Additionally, the Component may wish to review OPM, DoD, and Component notifications issued in 1996 and 1997 to determine whether the employee likely received timely notification.

b. If the servicing HRO confirms eligibility for a retroactive P.L. 104-106 election and finds that the employee was not given timely notice and counselling, the August 11, 1997 time limit must be waived (5 CFR 847.304).

(1) Elections of coverage under P.L. 104-106 retroactive provisions are found in 5 CFR Part 847, Subpart D. 5 CFR Part 847, Subpart E contains requirements for the transfer of contributions under the retroactive provisions. 5 CFR Part 847, Subparts F and G regulate the additional employee costs and computation of benefits under the retroactive provisions.

(2) Elections are retroactively effect on the date of the move (the date the individual entered into the new position), consistent with 5 CFR 847.402(d), 847.413, and 847.442.

c. If the employee made a retroactive election under P.L. 104-106, but the election was not processed correctly, the employee's retirement coverage must be corrected. Elections under the retroactive provisions of P.L. 104-106 are irrevocable when received by the employing agency (5 CFR sections 847.413(c), 847.421(d), 847.431(c), and 847.442(c)).

d. Additional information is found in OPM BAL 96-108 and OPM Payroll Office Letter Number P-96-06. Refer to Section 12 of this Guide for current benefit and payroll points of contact.

e. Follow the NAF Component retirement plan procedures to correct NAF defined benefit and defined contribution funds where necessary to implement an employee's election.

11.4. PLACEMENT IN THE WRONG CIVIL SERVICE RETIREMENT PLAN.

a. When an HRO or benefits office discovers that an employee was placed in the wrong civil service retirement system (CSRS, CSRS Offset or FERS) the applicable HRO or benefits office will process the corrections.

b. The Federal Erroneous Retirement Coverage Corrections Act (FERCCA) legislation was signed in September 2000. It provides relief to Federal civilian employees who were placed in the wrong retirement system for at least 3 years of service after December 31, 1986. FERCCA procedures are used to correct civil service retirement errors (i.e., CSRS versus CSRS Offset versus FERS retirement coverage).

c. Additional FERCCA information is available in OPM BALs 04-107 and 04-108. (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2004/04-107.pdf> and [SECTION 11: PROCESSING CORRECTIONS TO RETIREMENT SYSTEM COVERAGE](https://www.opm.gov/retirement-services/publications-</p></div><div data-bbox=)

[forms/benefits-administration-letters/2004/04-108.pdf](https://www.opm.gov/retirement-services/benefits-officers-center/aids/federal-erroneous-retirement-coverage-corrections-act/benefits-administration-letters/2004/04-108.pdf). Additional BALs pertaining to FERCCA are found at <https://www.opm.gov/retirement-services/benefits-officers-center/aids/federal-erroneous-retirement-coverage-corrections-act/benefits-administration-letters/>.

d. NAF HROs who encounter civil service retirement plan errors should consult their Component's Headquarters HRO and DCPAS civil service retirement plan experts.

APPENDIX 11 A: UNOFFICIAL WORKAROUND FOR DCPDS

Correction of NAF Retirement and NAF Indicator Code for Changes from FERS to NAF Retirement

As of September 2020, there are no official instructions on correcting DCPDS coding to implement a change from FERS to NAF. One of the Components developed the below unofficial workaround to make the necessary retirement code change.

When a NAF employee moves from NAF to civil service within 1 year, the employee may be eligible to elect to retain their NAF retirement if they were participating in the NAF retirement plan. Because of the short timeline to get the employee paid, employees may be coded as FERS FRAE and later elect their NAF retirement. Corrections to the last SF50 Notification of Personnel Action must be done to the Retirement code to “5-Other” retroactive back to the initial on board NOA 100 action. In addition, DCPDS must be updated to correct the NAF indicator from “Not applicable” to the correct NAF retirement plan. Also the TSP information must be corrected from “A-Automatically enrolled 3%” to “I-Ineligible” with no rate and to delete the TSP-SCD and TSP Agency Contribution Eligibility date.

These corrections in DCPDS will not flow to DCPS without Payroll Regeneration. Once this information is corrected in DCPDS, in order for the corrections to flow to DCPS DFAS, the initial on board NOA 100 action will need to be done with the corrections through Payroll Regeneration. Even though a NOA 002 Correction was done in DCPDS, in order for the NAF retirement code and NAF indicator code to flow to DCPS DFAS, it must be corrected on the NOA 100 and re-sent through Payroll Regeneration. The correction to the NOA 100 includes the “Retirement Code 5,” NAF indicator code, “TSP Code –I- Ineligible” and “TSP Status date EOD” only to remove the TSP SCD and TSP Agency Contribution Eligibility date.

Also if any other NOA (other than awards and corrections) were processed from the EOD, the same information must be corrected on each NOA in Payroll Regeneration and processed to DCPS DFAS payroll. Once NOA actions have been Payroll Regenerated, complete Remedy ticket to ensure corrections have been made retroactive to the EOD.

Once the Retirement code and NAF indicator code has been corrected in DCPS, the 401K information needs to be sent to DFAS with a Remedy ticket as the 401K information cannot be entered into DCPDS.

Retirement code is 5 -Other

NAF Indicator Codes are:

- A- Dept. of Army NAF
- B- Dept. of Navy- BUPERS
- C- Dept. of Navy- NEXCOM
- D- Dept. of Air Force
- E- Marine Corps
- F- Army & Air Force Exchange

SECTION 12: POINTS OF CONTACT

Table 9: DoD NAF Employment Points of Contact

| DOD NAF EMPLOYERS POINTS OF CONTACT | |
|---|--|
| For information regarding former DOD NAF employment and OPFs, contact the appropriate NAF Component | |
| Name of NAF Employer | Address |
| United States Army | HQ, Department of the Army Office of the Asst. G-1 (CP) Attn: DAPE-CPN, NAF HR Policy & Programs Division 6010 6th Street Building 1465 Mail Stop 5595 Fort Belvoir, VA 22060 (703) 806-3097 (DSN 656) |
| United States Air Force | Air Force Services Center NAF Human Resources Program Management Branch AFSVC/SVXHR 2216 Hughes Avenue, Suite 156 JBSA Lackland AFB, TX 78236-9854 (210) 395-7254 (DSN 969) |
| United States Marine Corps | HQMC, United States Marine Corps MRG, NAF Business Services and Support Division 3044 Catlin Ave. Quantico, VA 22134-5099 (703) 432-0421 (DSN 378) |
| Commander, Naval Installation Command | Commander, Naval Installation Command 5720 Integrity Drive Millington, TN 38055-6530 (901) 874-6709 (DSN 882) |
| Navy Exchange Service Command (NEXCOM) | Navy Exchange Service Command 3280 Virginia Beach Blvd Virginia Beach, VA 23452-5799 (757) 440-4718 |
| Army and Air Force Exchange Service (AAFES) | Headquarters, Army and Air Force Exchange Service ATTN: HR-S HRSC P.O. Box 660202 Dallas, TX 75266-0202 214-312-6190 (DSN 967) |

Table 10: NAF Retirement Plan Points of Contact

| DOD AND COAST GUARD NAF RETIREMENT PLANS POINTS OF CONTACT | |
|---|---|
| To verify service subject to a NAF retirement plan and/or confirm that an individual participated in a NAF retirement plan, contact the appropriate NAF retirement plan | |
| Name of Retirement Plan | Address |
| United States Army Nonappropriated Fund Employee Retirement Plan | US Army Installation Management Command Army NAF Benefits Office, IMCOM G-9-HRB 2455 Reynolds Road JB San Antonio Ft. Sam Houston, TX 78234-7588 (210) 466-1638 (DSN 450) |
| United States Air Force Nonappropriated Fund Retirement Plan for Civilian Employees | Air Force Services Center AFSVC/SVXHB Group Insurance Branch 2261 Hughes Avenue, Suite 156 JBSA Lackland AFB, TX 78236-9854 (210) 395-7438 (DSN 969) |
| Retirement Plan for Civilian Employees of U.S. Marine Corps Community Services (MCCS) and the Personal Family Readiness Division and other Miscellaneous NAFI | Headquarters, U.S. Marine Corps MRG, NAF Business Services and Support Division 3044 Catlin Avenue Quantico, VA 22134-5099 (703) 432-0418 (DSN 378) |
| Commander Naval Installation Command (CNIC) Retirement Plan | Commander Naval Installation Command (PERS-65) Morale, Welfare & Recreation 5720 Integrity Drive, Bldg. 457 Millington, TN 38055-6540 (901) 874-6651 (DSN 882) |
| Navy Exchange Service Command (NEXCOM) Retirement | Navy Exchange Service Command 3280 Virginia Beach Boulevard Virginia Beach, VA 23452 (757) 440-4718 |
| Retirement Annuity Plan for Employees of the Army and Air Force Exchange Service (AAFES) | Headquarters, Army and Air Force Exchange Service FA-T (Benefits) 3911 S. Walton Walker Blvd. Dallas, TX 75236-1598 (214) 312-3593 (DSN 967) |
| United States Coast Guard | Coast Guard Community Services Command (HR) 510 Independence Pkwy, Suite 500 Chesapeake, VA 23320 (757) 842-4793 |

Table 11: DoD NAF Payroll Points of Contact

| DOD PAYROLL POINTS OF CONTACT | |
|--|---|
| To confirm instructions on remitting funds to a DoD NAF. | |
| Name of NAF Employer | Address |
| United States Army | Defense Financial Accounting Services, Texarkana NAF Financial Services P.O. Box 6111 Texarkana, TX 75505-6111 (903-334-1408) (DSN 829) |
| United States Air Force | Air Force Services Center Shared Service Center Expenditures Branch AFSVC/SVTE 2216 Hughes Avenue, Suite 156 JBSA Lackland AFB, TX 78236-9854 (210) 395-7535, (DSN 969) |
| United States Marine Corps | Headquarters, U.S. Marine Corps MRG, NAF Business Services and Support Division 3044 Catlin Avenue Quantico, VA 22134-5099 (703) 432-0419, (DSN 378) |
| Commander, Naval Installation Command (CNIC) | Commander Naval Installation Command 5720 Integrity Drive Millington, TN 38055-6580 (901) 874-6919, (DSN 882) |
| Navy Exchange Service Command (NEXCOM) | Navy Exchange Service Command Attn: Code FC 3280 Virginia Beach Blvd Virginia Beach, VA 23452-5799 (757) 631-3652 |
| Army and Air Force Exchange Service (AAFES) | Headquarters, Army and Air Force Exchange Service ATTN: HRSC P.O. Box 660202 Dallas, TX 75266-0202 (214) 312-6190, (DSN 967) *Please ask to speak with the HR Support Manager |

Non-DoD payroll offices should contact the DFAS NAF payroll office at DFAS NAF Financial Services, Attn: Retirement Portability Desk, P.O. Box 6111, Texarkana, TX 75505-6111. The point of contact is Cynthia Campbell (903) 334-1646.

Table 12: DoD Agency Points of Contact for Information on Civil Service Benefits

| APPROPRIATED FUND BENEFITS POINTS OF CONTACT | |
|---|---|
| Name of Employer | Address |
| United States Army | Department of the Army 305 Marshall Avenue Army Benefits Center - Civilian Fort Riley, KS 66442-5004 (877) 276-9287 |
| United States Air Force | HQ AFPC/DP25B 550 C Street West, Suite 57 JBSA-Randolph AFB, TX 78150-4759 (800) 525-0102 |
| United States Navy | Department of Navy OCHR Norfolk Operations Center Norfolk Naval Shipyard, Bldg. 17 Portsmouth, VA 23705-1005 (757) 396-7873 or the Benefits Line at 888-320-2917 |
| Defense Logistics Agency | Defense Logistics Agency 8725 John J. Kingman Road Suite 3630, J-14 Ft. Belvoir, VA 22060-6458 (703) 767-6458 |
| Defense Finance and Accounting Service | Defense Finance and Accounting Service Human Resources Benefits & Services Attn: DFAS-FI/NHFP 8899 E. 56th Street Indianapolis, IN 46249-6400 (317) 212-7363 (DSN 699) |
| Defense Commissary Agency | Defense Commissary Agency c/o Defense Logistics Agency 3990 E Broad Street, Building 306 Columbus, OH 43218 (614) 692-2331 |

Figure 13: DCPAS Points of Contact

Portability of Benefits questions:

DCPAS Benefits, Wage and NAF Policy Line of Business

APPROPRIATED FUND

Benefits and Work Life Program
4800 Mark Center Drive, Suite 05G21
Alexandria, VA 22350-1100
(703) 882-5197
DSN: 381

e-mail: dodhra.mc-alex.dcpas.mbx.benefits-contacts@mail.mil

NONAPPROPRIATED FUND

NAF Policy
4800 Mark Center Drive, Suite 05G21
Alexandria, VA 22350-1100
(571) 372-1566
DSN: 372

e-mail: dodhra.mc-alex.dcpas.mbx.naf@mail.mil

Link to DCPAS benefits guides and information: <https://www.dcpas.osd.mil/BWN/Advise>

Figure 14: Sites Containing Portability of Benefits Information

Appropriated Fund Web Links and Contacts

Office of Personnel Management: <http://www.opm.gov>

CSRS and FERS Handbook for Personnel and Payroll Offices:

<http://www.opm.gov/retire/pubs/handbook/hod.htm>

Benefits Administration & Payroll Letters:

<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/>

Archived Payroll Office Letters (1997-2000):

<https://www.opm.gov/retirement-services/publications-forms/payroll-office-letters/>

Non-Appropriated Fund Instrumentality (NAFI) Program Retirement Coverage (<http://www.opm.gov/retire/pre/naf/naf-4.htm>) This website provides basic information, but has not been updated to incorporate P.L. 107-107 or current points of contact.

Guide to Processing Personnel Actions:

<https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/processing-personnel-actions/gppa06.pdf>

Personnel Recordkeeping Guide:

<https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/personnel-recordkeeping/recguide2011.pdf>

DoD/OPM Interchange Agreement information:

<https://www.opm.gov/policy-data-oversight/hiring-information/competitive-hiring/#url=InterchangeAgreementsWithOtherMeritSystem>

Thrift Savings Plan: www.tsp.gov

HR/Payroll representatives may call Agency Technical Services at 888-802-0179 for TSP questions. TSP participants use the ThriftLine to obtain information: 1-877-968-3778.

Administrative error correction regulations at 5 CFR 1605: <http://www.ecfr.gov/cgi-bin/text-idx?SID=8a88757c7e02f3b12d1d5fc79d43b2a3&mc=true&node=pt5.3.1605&rgn=div5>

National Archives and Records Administration: <https://www.archives.gov/personnel-records-center/civilian-personnel/federal-agencies>

Defense Civilian Personnel Advisory Service, Benefits, Wage, & NAF Policy Line of Business:

<https://www.dcpas.osd.mil/BWN/Index>

<https://www.dcpas.osd.mil/BWN/Advise>

Nonappropriated Fund Web Links

Defense Civilian Personnel Advisory Service, Benefits, Wage, & NAF Policy Line of Business, NAF Policy:

<https://dodhrinfo.cpms.osd.mil/Directorates/HROPS/NAF-Personnel-Policy/Pages/Home1.aspx>

DoD/OPM Interchange Agreement:

<https://www.dcpas.osd.mil/Content/documents/BWN/DoD-OPM%20Interchange%20Agreement.pdf>

DoD NAF Health Benefit Plan: <https://www.nafhealthplans.com/>

NAF Employers Benefits Sites:

Army NAF Benefits:

<https://www.armymwr.com/m/employee-portal/human-resources/naf-benefits>

CNIC NAF Benefits: <http://www.navymwr.org/resources/hr/>

Marine Corps NAF Benefits: <http://usmc-mccs.org/employ/benefits/>

NEXCOM NAF Benefits: <https://www.nafhealthplans.com/enrollment/nexcom/>

Air Force NAF Benefits: <https://www.myairforcelife.com/Employment/>

AAFES NAF Benefits: (<http://odin.aafes.com/employment/BenefitsHomepage.html>)

SECTION 13: FREQUENTLY ASKED QUESTIONS

Responses to the below questions are based on the guidance and references provided in Sections 1 through 12 of this guide. Please see those sections for further detail and regulatory citations.

13.1. APPOINTMENT.

Q1. Are DoD NAF employees eligible to apply for civil service positions?

A1. Yes, DoD NAF employees may apply for any civil service position that is open to employees eligible for appointment under Interchange Agreements. DoD NAF employees may also qualify through one of the other civil service hiring paths, such as veterans or military spouses, if eligible. DoD NAF employees may also apply to any civil service position that is open to the public.

Q2. Can a DoD NAF employee apply to a DoD civil service vacancy announcement that specifies the position is only open to internal agency candidates?

A2. Yes, if the area of consideration includes DoD NAF employees appointable under the DoD/OPM Interchange Agreement. For example, a DoD NAF Army employee may be eligible to apply for a vacancy open to current Army civilian employees. If the vacancy announcement does not specifically include employees eligible under the Interchange Agreement, NAF employees should check with the hiring agency to confirm area of consideration.

Q3. Are DoD NAF employees applying for civil service positions under the Interchange Agreement required to provide specific documentation of eligibility?

A3. Applicants should check the vacancy announcement for instructions. Some announcements may require that NAF employees submit documentation of eligibility, such as the NAF appointment document and most recent personnel action.

Q4. Is it possible for a DoD manager to name request a current DoD NAF employee to fill a civil service vacancy, in the same manner that a DoD civil service employee may be name-requested for transfer?

A4. Yes, a DoD hiring manager may request, by name, a current DoD NAF employee for appointment to a vacant DoD civil service position, if the NAF employee is qualified for the position.

Q5. How will civil service hiring preferences such those under the DoD Priority Placement Program (PPP) or the Interagency Career Transition Assistance Program (ICTAP) affect NAF applicants?

A5. The appointing civil service HRO must comply with DoD Priority Placement Program (PPP) requirements for all appointments, unless an applicable exception applies. If the vacancy is open to federal employees from outside of the agency, ICTAP candidates must be given appropriate preference.

Q6. How can a hiring manager include qualified DoD NAF employees in the area of consideration for a civil service job?

A6. To clearly inform applicants that DoD NAF employees may apply, the job announcement should specify that the area of consideration includes employees eligible under the DoD/OPM Interchange Agreement.

Q7. Does a civil service hiring manager have to open up the vacancy to federal employees outside the agency in order to include DoD NAF employees eligible under the Interchange Agreement in the area of consideration?

A7. No. The hiring manager may limit the area of consideration to internal DoD or agency employees, including NAF employees eligible under the Interchange Agreement. If the hiring manager wishes to hire a specific DoD NAF employee who is qualified for the position, the manager may name-request the NAF employee.

Q8. What qualifies an individual for appointment to a civil service position under the DoD/OPM Interchange Agreement?

A8. To qualify for appointment under the DoD/OPM Interchange Agreement, the individual must be currently serving in a DoD NAF position without time limits, or have been involuntarily separated from such appointment without personal cause within the preceding year. The individual must have served continuously for at least 1 year in NAF positions before appointment to the civil service position, and move between positions that are not time-limited. Current NAF employees must move to the civil service position without a break in service. Current and former NAF employees applying for appointment must meet the qualification standards and requirements established for the civil service position.

Q9. Are NAF Flexible employees eligible for appointment to civil service positions under the DoD/OPM Interchange Agreement?

A9. Yes. DoD NAF employees under a Flexible appointment without a time limit are eligible for appointment under the Interchange Agreement. Flexible employees in continuing positions are eligible regardless of whether they work a regular schedule or are intermittent.

Q10. Is a DoD NAF employee appointed under the Interchange Agreement eligible for portability of benefits such as leave and an election to remain in the NAF retirement plan?

A10. Only if the employee meets the separate eligibility criteria for portability of benefits. The Interchange Agreement is an appointing authority. It does not authorize portability of benefits. Eligibility for benefits such as annual leave transfer and credit towards leave accrual requires the employee move between DoD NAF and DoD civil service positions without a break in service of more than three days. Eligibility for an election to remain in a DoD NAF retirement plan requires the employee move between retirement-covered NAF and civil service positions without a break in service of more than one year and not have had a prior opportunity to continue the same retirement coverage.

Q11. Is it possible for the employee's last day in a NAF position to be the same date as their first day in a civil service position?

A11. The separating and appointing HROs should review the timing of personal actions to avoid simultaneous employment and possible dual compensation violations.

Q12. Where can I find information about personnel records?

A12. DoD Component civil service and NAF employer points of contact are listed in Section 12 of this guide. DoD NAF policy on employee records management is in DoDI 1400.25, Volume 1403, Enclosure 3. NAF employee records and files are kept and maintained in accordance with DoDI 5015.02 and the National Archives and Records Administration General Records Schedule. The OPM personnel recordkeeping guide contains civil service guidance: <https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/personnel-recordkeeping/recguide2011.pdf>.

Archived NAF and civil service records may be requested from the National Archives and Records Administration. National Archives website: <https://www.archives.gov/personnel-records-center/civilian-personnel/federal-agencies>. Mailing address and fax number:

National Archives and Records Administration
National Personnel Records Center
1411 Boulder Boulevard
Valmeyer, IL. 62295

Fax: 618-935-3014

13.2. CREDIT TOWARDS CIVIL SERVICE CAREER TENURE.

Q1. Is prior NAF service creditable towards career tenure if the NAF employee is appointed under the Interchange Agreement?

A1. Yes. An employee who is hired under the authority of the DoD/OPM Interchange Agreement is eligible to have non-temporary NAF service credited towards civil service career tenure (CFR 315.201 (b) (1) (iv)).

Q2. Is prior NAF service creditable towards career tenure if the NAF employee is in a DoD NAF position that is brought into the competitive service and the employee is converted to civil service status?

A2. Yes. Employees whose DoD NAF positions are brought into the competitive service are eligible to have non-temporary NAF service credited towards civil service career tenure (CFR 315.201 (b) (1) (iii)).

Q3. Is prior NAF service creditable towards career tenure if the NAF employee qualifies for portability of benefits, but was appointed to the civil service under an authority other than the Interchange Agreement or conversion to a competitive service appointment?

A3. No. Current and former NAF employees must be appointed under the Interchange Agreement or brought into the competitive service with their NAF positions in order to receive service credit towards civil service career tenure.

13.3. PROBATIONARY PERIOD.

Q1. Are NAF employees required to serve a two-year probationary period when they move to a DoD civil service position?

A1. DoD NAF employees hired under the DoD/OPM Interchange Agreement do not have to serve a new or extended probationary period if they previously completed a probationary period in the losing employment system. DoD NAF employees not hired under the DoD/OPM Interchange Agreement must serve the required probationary period, but may receive credit for NAF service consistent with applicable government-wide regulations.

Q2. Must employees complete a probationary period with the losing employer before appointment to the gaining employer in order to receive portability of benefits?

A2. No. There is no requirement that an employee complete a probationary period with the losing employer in order to qualify for portability of benefits.

13.4. GENERAL ELIGIBILITY FOR PORTABILITY OF BENEFITS.

Q1. Why are the eligibility criteria for portability of non-retirement benefits different from those for a retirement coverage election?

A1. Portability of non-retirement benefits, such as pay protection, annual leave transfer, service credit towards annual leave accrual rate, and reduction-in-force service credit, are based in the provisions of Section 7202 of P.L. 101-508, known as the “Portability of Benefits for Nonappropriated Fund Employees Act of 1990.” That law required breaks in service of not more than three days and movement between DoD positions.

Subsequent laws changed the eligibility criteria for retirement elections, but not for non-retirement benefits. Section 1131 of P.L. 107-107 changed the eligibility criteria for retirement coverage elections to permit movements to or from civil service positions outside of DoD, and breaks in service of no more than one year. That eligibility criteria applies to moves on or after December 28, 2001.

Q2. Is it possible for an employee to qualify for an election to retain NAF or CSRS/FERS retirement coverage, but not qualify for portability of non-retirement benefits?

A2. Yes. Portability of benefits is not a package deal; eligibility for portability of one type of benefit is not dependent upon eligibility for portability of a different benefit. Employees must meet the eligibility criteria applicable to each benefit provision. Non-retirement portability of benefits require the employee to move between positions in DoD, with a break in service of not more than 3 days. The retirement coverage election criteria permits an employee to move between retirement-covered DoD NAF and civil service positions in any agency, with a break in service of not more than one year.

Q3. Are some NAF or civil service regulations providing service credit for former NAF or civil service employment independent of portability of benefit eligibility requirements?

Q3. Yes. There are some DoD and OPM regulatory service credit provisions that are not linked to portability of benefit law or regulations. For example, DoD NAF service is creditable towards GS time-in-grade requirements under civil service government-wide regulation in 5 CFR 300.605(a). This regulatory provision applies to all qualifying NAF service, regardless of whether the employee is eligible for portability of benefits under P.L. 101-508 or P.L. 107-107.

Q4. May an employee hold a NAF position and a civil service position simultaneously (for example, two part-time positions, or two full-time positions if one of the positions is exempt from the dual compensation law), and still be eligible for portability of benefits?

Q4. No. Portability law and regulation contain eligibility requirements describing a “move” between employment systems. Portability law and regulation covering non-retirement benefits (for example, Title 5, U.S.C. 6308(b) for leave transfer benefits) require the break in service between the two positions be not more than three days. Retirement portability law and regulation (see Title 5, U.S.C. 8347(q) and 8461(n) and title 5 CFR, part 847) require the break in service between the two positions be no more than 1 year. All portability benefits become effective on the date of appointment following the move from the losing employment system. If there is no qualifying move between employment systems, there is no portability of benefits.

Q5. Can a NAF employee go on leave-without-pay from a NAF position and volunteer for a civil service position that is deploying and also be eligible for portability of benefits?

A.5. No. An employee must separate from the losing employment system and move to the gaining employment system in order to receive portability of benefits. The employee may be placed in a NAF leave-without-pay status and be appointed to the civil service position without portability of benefits, or resign the NAF position and be appointed to the civil service position with portability of benefits. See DoDI 1400.25, Volume 1403, Enclosure 3, Paragraph 8.c. for DoD policy on treatment of NAF employees who volunteer for civil service positions in deployed locations.

Q6. Does a separation for cause disqualify an employee from receiving portability of benefits?

A6. No. There is no eligibility restriction regarding the method of separation from the losing position.

Q7. Where may appointing civil service HROs get information about an employee's former DoD NAF employment, retirement coverage, and other NAF benefits?

A7. Questions about former DoD NAF service and benefits should be directed to the appropriate DoD Component's servicing NAF HRO or NAF retirement benefits office. Points of contact for former DoD NAF employers are found on Table 9 in Section 12 of this guide. Points of contact for Component NAF retirement plans are found on Table 10 in Section 12 of this guide. HROs may also e-mail questions to DCPAS at dodhra.mc-alex.dcpas.mbx.naf@mail.mil.

13.5. PAY.

Q1. Is a DoD NAF employee moving to a DoD civil service position without a break in service of more than 3 days eligible for a civil service recruitment incentive?

A1. No. For the purpose of granting recruitment bonuses, Title 5, U.S.C. 5753 includes NAF in the definition of employee. Therefore, a NAF employee is not considered newly appointed when moving to a civil service position. DoD NAF employees must have a 90-day break-in-service to be eligible for a recruitment incentive upon movement to a position listed in 5 CFR 575.103 (unless one of the remaining exclusions in the definition of “newly appointed” applies).

Q2. May an employer use the superior qualifications pay setting authority to set basic pay when a DoD NAF employee moves to a DoD GS position with a break in service of three days or less?

A2. No, because the appointment is not considered a first or new appointment if the employee is covered by portability of benefits pay setting provisions in 5 CFR 531.216. The prior NAF employment is considered Federal Government employment under that circumstance.

Q3. May an employer use the superior qualifications pay setting authority to set basic pay if a DoD NAF employee moves to a DoD GS position with a break in service longer than 3 days?

A3. Yes. NAF employment does not block application of superior qualifications pay authority, except for employees covered by pay setting portability provisions in 5 CFR 531.216 (5 CFR 531.212.a(4)). A more than three day break in service disqualifies the employee from portability of benefits pay setting coverage under 5 CFR 531.216, but the longer break in service means the employer may consider the employee for superior qualifications pay, if eligible.

Q4. How do civil service HROs determine whether a former NAF employee received an equivalent increase in NAF pay for the purpose of a GS within-grade increase?

A4. OPM regulations apply in determining whether an employee previously in a NAF payband position received an equivalent increase for within-grade increase determination. See 5 CFR §531.407 (b) for determinations of equivalent increases for non-GS employees who move to the GS pay system.

Q5. Does an employee have to be eligible for portability of benefits in order to receive a relocation incentive upon moving between NAF and civil service positions?

A5. No. Relocation law and regulation includes DoD NAF employees under the definition of “employee” (Title 5, U.S.C. 5753; 5 CFR 575.202). A NAF employee is not considered newly appointed when moving to a civil service position. The same applies to a civil service employee moving to a NAF position.

Q6. What is included in a NAF payband employee’s basic rate of pay?

A6. Under the NAF payband system, “basic pay” means the NAF employee’s annual rate of pay, 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 (Paragraph 3.a.(3) of Appendix 1 to Enclosure 3 of Volume 1405 to DoDI 1400.25).

Q7. How does a civil service HRO determine an employee’s GS pay rate based on the employee’s NAF highest rate of pay when the employee moves between a DoD NAF position and a DoD GS position without a break in service of more than three days?

A7. If an employee moves from a DoD NAF position to a DoD GS position without a break in service of more than three days, the provisions in 5 CFR 531.216 apply. The OPM website contains a fact sheet that addresses how to determine an employee’s pay rate based on a NAF highest previous rate. The fact sheet contains examples. See "NAFI Employees Moving to General Schedule (GS) Positions--Setting Pay" at <https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/nafi-employees-moving-to-general-schedule-positions/>

13.6. PORTABILITY OF LEAVE BENEFITS.

Q1. A civil service HRO is in-processing a former NAF employee who meets the portability of benefits eligibility criteria for transfer of leave from NAF to civil service. The employee was not appointed to the civil service position using the Interchange Agreement. Is the employee still eligible for leave transfer?

A1. Yes. Portability of benefits is not dependent upon appointment under the Interchange Agreement.

Q2. Is a DoD NAF Flexible employee eligible to transfer annual and sick leave balances from NAF to civil service upon moving to a DoD civil service position without a break in service of more than three days?

A2. If the NAF Flexible employee accrued leave under a DoD Component's NAF leave policy, that leave transfers to the civil service position at the time of the move, if the civil service position is covered by leave benefits. However, most DoD NAF employees under Flexible appointments do not accrue annual and sick leave. If the employee did not receive annual and sick leave in the NAF Flexible position, there is no NAF sick or annual leave balance to transfer to the civil service.

Q3. Is a DoD NAF Flexible employee eligible to receive service credit for annual leave accrual purposes upon moving to a DoD civil service position without a break in service of more than three days?

A3. Service credit towards civil service leave benefits is in accordance with applicable law and civil service regulation. The gaining civil service HRO will review past NAF service history to determine if former NAF service, including service in an intermittent appointment, is creditable for civil service leave accrual under civil service regulations. The HRO can document NAF service through NAF personnel records, pay stubs, and any other means permitted by civil service regulations. Some Components do not provide NAF annual leave credit for service in a NAF Flexible position. However, that NAF service may be creditable under civil service regulations when the employee moves between DoD NAF and civil service positions under portability of benefits.

Q.4. If a NAF employer does not have records to document a NAF Flexible employee's work schedule, how can an appointing civil service HRO determine the amount of potentially creditable service for annual leave accrual purposes?

A.4. If the civil service HRO determines that the employee's prior NAF flexible service is creditable under civil service rules, but documentation in the employee's NAF OPF is not sufficient, the HRO should refer to instructions in the OPM Guide to Processing Personnel Actions, Chapter 6, Subchapter, Section 1-5.c. "Verifying Creditable Civilian Service."

Q5. Employees who move between NAF and civil service positions within DoD without a break in service of more than 3 days are eligible for transfer of annual leave balance. May they instead receive a lump-sum payment for accumulated leave?

A5. No. Employees who are eligible for transfer of annual leave balance may not receive a lump-sum payment for annual leave.

Q6. If an employee received an erroneous payout of annual leave instead of a transfer of the leave balance upon a qualifying move between DoD civil service and NAF positions, is a repayment waiver possible?

A6. No. There are no civil service or DoD NAF waiver authorities for an erroneous payout in this circumstance.

Q.7. If an employee received annual leave accrual credit for non-Federal service in a civil service position, will that non-Federal service be creditable towards NAF leave accrual if the employee moves from a DoD civil service position to a DoD NAF position without a break in service of more than three days?

A.7. Yes. Once earned, non-federal service credit is permanent for purposes of civil service leave accrual rate. A DoD civil service employee who moves under portability of benefits provisions to a DoD NAF position that provides annual leave benefits receives service credit towards NAF annual leave accrual rate (see DoDI 1400.25, Volume 1406, Enclosure 3, subparagraph (4)(c)).

13.7. HEALTH AND LIFE INSURANCE BENEFITS.

Q1. Can a DoD civil service employee continue to participate in FEHBP and FEGLI after moving to a DoD NAF position?

A1. No. Employees moving between NAF and civil service will be covered by the health and life insurance plans covering the position in the gaining employment system. Civil service positions are covered under FEHBP and FEGLI. NAF employees are covered by a DoD-wide NAF Health Benefits Program (HBP) and Component-specific NAF life insurance programs.

Q2. Does NAF health benefits plan participation count toward FEHB post-retirement medical eligibility?

A.2. No. Neither portability law nor FEHB policy provide credit for NAF service towards FEHB eligibility. FEHBP's normal post-retirement medical eligibility policy applies.

Q3. Does FEHB participation count towards NAF HBP post-retirement medical eligibility?

A3. Yes. Continuous participation in FEHB as of the day before a move between DoD positions without a break in service of more than three days is creditable towards the NAF HBP 15-year participation requirement. The 15-year participation requirement is waived if the employee was involuntarily moved and had five years of continuous enrollment in FEHB on the day before the move. See DoD NAF policy in DoDI 1400.25, Volume 1408, Paragraph 7.6.c.(1)(b)4 and 5.

Q4. An employee remained in a NAF retirement plan upon moving to a civil service position. The employee is retiring from the civil service position and is eligible to continue FEHBP coverage as an annuitant in the NAF retirement plan. Must the employee elect a NAF survivor annuity in order for a spouse to be eligible for survivor's FEHBP benefits?

A4. Yes. FEHBP rules require that a surviving spouse be eligible for a survivor annuity in order to continue FEHB coverage. That rule applies regardless of the elected retirement system.

Q5. An employee remained in FERS upon moving to a DoD NAF position. The employee is retiring from the NAF position and meets the eligibility requirements necessary to participate in the NAF HBP as a FERS annuitant. Must the employee elect a FERS survivor annuity in order for a spouse to be eligible for survivor's NAF HBP benefits?

A.5. No. The NAF HBP does not require a survivor retirement annuity in order for a dependent to continue DoD NAF HBP coverage.

13.8. ELIGIBILITY TO RETAIN RETIREMENT COVERAGE UNDER P.L. 107-107.

Q1. Must an employee move between DoD NAF and DoD civil service positions to qualify for a portability of retirement coverage election?

A1. No. The civil service position may be in any agency; movement is not restricted to moves within DoD for purposes of retirement coverage portability.

Q2. Is the break in service requirement for retirement portability the same as for non-retirement portability—movement without a break in service of more than three days?

A2. No. The break in service criteria is different for a retirement portability election. To qualify for an election to continue retirement plan coverage, an employee must move between a retirement-covered DoD or Coast Guard NAF position and a civil service position covered by CSRS or FERS without a break in service of more than **one year**.

Q3. Must an employee be vested in their retirement plan in order to qualify for a retirement coverage election?

A3. No. P.L. 107-107 removed the requirement that an employee be vested in order to have a retirement coverage election. Employees moving after December 28, 2001 do not have to be vested to qualify for a retirement coverage election. Employees do have to be participating in the retirement system covering the position (CSRS or FERS for civil service positions; a Component's defined benefit NAF retirement plan for NAF positions).

Q4. Must a NAF employee participate in a NAF defined benefit plan in order to be eligible to remain in the NAF retirement system?

A4. Yes. Participation only in a NAF 401(K) defined contribution plan does not qualify the employee for a retirement election.

Q5. What does it mean to be given a "one-time opportunity" to make a retirement coverage election?

A5. Employees are entitled to one opportunity to remain in their current retirement system when they move between NAF and civil service positions. The first time an employee moves from a NAF to civil service position, there is one opportunity to remain in the NAF retirement plan. The first time an employee moves from a civil service to NAF position, there is one opportunity to remain in CSRS or FERS.

Elections are permanent and irrevocable. Once an employee makes an election, the employee will never be given that same election opportunity again.

Q6. Is an employee who elected to remain in FERS following a move from civil service to NAF eligible to change to a different retirement plan upon moving to another NAF or civil service position?

A6. No. Employees who elect to remain in a retirement system make an irrevocable election that stays in effect for all future NAF or civil service. An employee who previously elected to remain in FERS upon moving to a NAF position will remain in FERS whether the employee later moves to a civil service or NAF position.

Q7. If an employee moves from civil service to NAF and elects not to remain in FERS, is the employee potentially eligible for another portability of retirement election?

A7. Yes. The employee had a one-time election to remain in a civil service retirement plan as a NAF employee, which the employee declined. If the employee makes a qualifying move from the NAF position back to civil service, the employee will be eligible for a one-time election to remain in the NAF retirement plan.

Q8. Does the “one-time” opportunity to remain in the losing retirement system refer to the election or to the number of movements between NAF and civil service?

A8. The one-time opportunity refers to the election to remain in the losing retirement system. An employee may make two qualifying moves, one in each direction (NAF to civil service; civil service to NAF). The two qualifying moves would each provide an opportunity to elect to continue retirement coverage—one opportunity to retain CSRS or FERS, and one opportunity to retain NAF retirement coverage. The below examples illustrate how the election opportunity works under several different scenarios:

Example: Employee moves from NAF to civil service position and elects to remain in NAF retirement plan.

| | |
|--|---|
| Direction of the move | Employee A makes a qualifying move from an Army NAF position to a civil service position covered by FERS. |
| Election opportunity | The employee receives an election to remain in the Army NAF retirement plan as a civil service employee. |
| Employee’s decision | The employee elects to remain in the Army NAF retirement plan |
| Effect of decision | Employee A will always be in the Army NAF retirement plan, regardless of any future moves to a civil service or DoD NAF position. |
| Any future elections to retain retirement coverage possible? | No. Employee A made an irrevocable decision to be covered by the Army NAF retirement plan. The employee will never receive another retirement portability election opportunity. |

Example: Employee moves from NAF to civil service position and elects **NOT** to remain in NAF retirement plan.

| | |
|--|---|
| Direction of the move | Employee B makes a qualifying move from an Air Force NAF position to a civil service position covered by FERS. |
| Election opportunity | The employee receives an election to remain in the Air Force NAF retirement plan as a civil service employee. |
| Employee's decision | The employee elects NOT to remain in the Air Force NAF retirement plan. |
| Effect of decision | Employee B will be covered by FERS while in the civil service position. Employee B will never receive another opportunity to retain NAF retirement plan coverage as a civil service employee. |
| Any future elections to retain retirement coverage possible? | Yes. If Employee B makes a qualifying move from the FERS position to a NAF position, the employee will receive an election to remain in FERS as a NAF employee. |

Example: Employee makes two moves between NAF and civil service. One qualifying move from NAF to civil service, with election NOT to remain in NAF retirement plan. A second move from civil service back to NAF, with election to remain in FERS.

| First Move for Employee C | |
|--|---|
| Direction of the move | Employee C makes a qualifying move from an AAFES NAF position to a civil service position covered by FERS. |
| Election opportunity | The employee receives an election to remain in the AAFES NAF retirement plan as a civil service employee. |
| Employee's decision | The employee elects NOT to remain in the AAFES NAF retirement plan. |
| Effect of decision | Employee C will be covered by the FERS retirement plan while in the civil service position. Employee C will never receive another opportunity to retain NAF retirement plan coverage as a civil service employee. |
| Second Move for Employee C | |
| Direction of the move | Employee C makes a qualifying move from a civil service position covered by FERS to a NEXCOM NAF position. |
| Election opportunity | The employee receives an election to remain in FERS as a NAF employee. |
| Employee's decision | Employee C elects to remain in FERS. |
| Effect of decision | Employee C will be in FERS for all future NAF or civil service employment. |
| Any future elections to retain retirement coverage possible? | No. Employee C made an irrevocable decision to remain in FERS. The employee will never receive another retirement portability election opportunity. |

Example: Employee makes two moves between NAF and civil service. One qualifying movement from NAF to civil service, with election NOT to remain in NAF retirement plan. A subsequent second move from civil service back to NAF, with election NOT to remain in FERS.

| First Move for Employee D | |
|--|--|
| Direction of the move | Employee D makes a qualifying move from a U.S. Marine Corps NAF position to a civil service position covered by FERS. |
| Election opportunity | The employee receives an election to remain in the Marine Corps NAF retirement program as a civil service employee. |
| Employee's decision | The employee elects NOT to remain in the Marine Corps NAF retirement plan. |
| Effect of decision | Employee D is covered by the FERS retirement plan while in the civil service position. Employee D will never receive another opportunity to retain NAF retirement plan coverage as a civil service employee. |
| Second Move for Employee D | |
| Direction of the move | Employee D makes a qualifying move from the civil service position covered by FERS to a CNIC NAF position. |
| Election opportunity | The employee receives an election to remain in FERS as a NAF employee. |
| Employee's decision | Employee D elects NOT to remain in FERS. |
| Effect of decision | Employee becomes covered by the CNIC NAF retirement plan. |
| Any future elections to retain retirement coverage possible? | No. Employee D has used the "one-time opportunity" for both FERS and NAF. In any future moves, Employee D will be covered by the retirement system that covers the assigned position. For example, if the employee moves back to a civil service position, coverage will be under FERS; if the employee moves from CNIC NAF to a NEXCOM NAF position, coverage will be under the NEXCOM NAF retirement plan. |

Q9. Is it possible for an employee to qualify for portability of non-retirement benefits, but not qualify to retain NAF or CSRS/FERS retirement coverage?

A9. Yes. Portability of non-retirement benefits does not require that the employee move to a retirement-covered position or be eligible for a retirement coverage election.

Q10. Can an employee remain in FERS and participate in the NAF 401(k) plan?

A10. No. Under portability law, civil service employees who move to NAF positions and elect to remain in FERS continue to be covered by TSP. FERS-covered NAF employees may not participate in the NAF 401(k).

Q11. A civil service HRO is in-processing a former NAF employee who meets the eligibility criteria for an election to remain in the NAF retirement plan. The employee was not appointed to the civil service position using the Interchange Agreement. Is the employee still eligible for a retirement portability election?

A11. Yes. Portability of benefits is not dependent upon appointment under the Interchange Agreement.

Q12: Where can HRO staff find retirement portability election forms?

A12: The retirement election forms used for current portability moves are:

- RI 38-144, "Election to Retain CSRS, CSRS Offset, or FERS Retirement Coverage as a Result of a Move from a Civil Service Position to a NonAppropriated Fund (NAF) Position On or after December 28, 2001," and
- RI 38-134, "Election to Retain NonAppropriated Fund (NAF) Retirement Coverage as a Result of a Move From a Nonappropriated Fund Position to A Civil Service Position On or After December 28, 2001."

These forms were all attachments to BAL 02-102, dated May 1, 2002. Fillable election forms can be found on [OPM's archived BAL website](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters), click tab 2002-1995.

(<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters>).

Informational copies of the forms are in Appendix 6A and 6B of this Guide.

Q13: Are the election forms for FERS coverage used for all FERS elections, including FERS-RAE and FRAE?

A13: Yes, the same forms are used. The contribution level differences do not affect portability elections.

Q14: When are employees given the retirement coverage election?

A14: The appointing HRO offers the employee the retirement coverage election after confirming eligibility.

Q15: Does the NAF retirement system have special provisions to cover law enforcement positions similar to those in CSRS/FERS?

A15: No. None of the NAF retirement plans contain special provisions to cover law enforcement positions. NAF employees interested in law enforcement officer positions should review the civil service and DoD eligibility criteria applicable to such positions. Interested employees should also review the CSRS/FERS special retirement coverage specifically designed for those civil service positions.

Q16: If a NAF employee moves to a civil service law enforcement position for which qualified, can the employee elect to retain NAF retirement plan coverage?

A16: Yes. However, an election to retain NAF retirement coverage may not be compatible with a civil service law enforcement career choice because NAF retirement plans do not provide enhanced benefits for such positions.

Q17: If an employee who elected to remain in the NAF retirement system moves to a civil service law enforcement position, can he or she switch to FERS coverage to be covered by the special law enforcement provisions?

A17: No. The employee made an irrevocable decision to remain in the NAF retirement system. The employee will be covered by the elected NAF retirement plan, in accordance with the rules of that plan, for all future NAF or civil service employment.

Q18. Can a civil service employee moving from a law enforcement position covered by FERS special retirement coverage retain that coverage upon moving to a retirement-covered DoD NAF position within a year?

A18. No. The employee cannot retain the FERS special retirement coverage upon moving to NAF. However, the employee is eligible to retain regular FERS coverage.

Q19: If a civil service employee is making military deposits (allotments to DFAS for CSRS/FERS credit for military time) prior to a move to a DoD NAF position, what happens to the military deposits after the move?

A19. Military deposits for FERS/CSRS/CSRS Offset employees paid by NAF Financial Services (NFS) are payroll deducted or paid in full via single check. The collecting payroll office remits the repayment to OPM under their respective payroll office number. If NFS gets an employee from civil service who has already started paying his military deposit, the civil service payroll office will complete an Individual Retirement Record (IRR) for monies they collected and remitted. NFS will need to receive the Military deposit documentation as well as evidence to show how much the employee paid or has remaining to pay so NFS can resume deductions. The civil service leave and earnings statement shows this. Once the NFS portion of deductions is complete, NFS will send an IRR to OPM.

Q.20. Are NAF Flexible employees eligible for a retirement coverage election?

A.20. In order to have a retirement coverage election, the employee would have to be participating in the NAF retirement plan at the time of the move, be moving to a retirement-covered civil service position without a break in service of more than 1 year, and not had a prior opportunity for the same election. At this time, NAF Flexible employees are not eligible for NAF defined benefit retirement coverage and therefore would not meet the eligibility criteria for a portability of retirement coverage election.

Q21. Are civil service employees who move from FERS-covered positions to Flexible NAF positions eligible for an election to retain FERS?

A21. Eligibility to retain retirement coverage following a move between civil service and DoD NAF positions requires that employees move between retirement-covered positions without a break in service of more than 1 year, and not had a prior opportunity for the same election. NAF Flexible positions are generally not covered by Component NAF defined benefit retirement plans. Unless a Component provides defined benefit retirement coverage to Flexible employees, an employee who moves to a NAF Flexible position is not eligible for a retirement portability election.

Q22. Is it possible for an individual to receive two annuity checks—one from a NAF retirement plan and one from CSRS/FERS?

A22. Yes. An individual may earn a retirement annuity in the NAF retirement system and a retirement annuity from CSRS/FERS. Unless the employee makes a portability of benefits retirement coverage election, service in the NAF employment system and civil service system are totally separate for purposes of retirement benefits.

Q23. Are employees who elected to retain retirement coverage from their previous employer (NAF or civil service) eligible under the gaining employer's Voluntary Early Retirement Authority/Discontinued Service Retirement?

A23. Yes. However, the employee is subject to the retirement eligibility and funding requirements of the retained retirement coverage.

Q24. If an employee elects to retain a Component’s NAF retirement coverage following a qualifying move to a civil service FERS-covered position, and later moves to a NAF position in a different DoD Component, will the employee still be subject to the first Component’s NAF plan?

A24. Yes, the employee made an irrevocable decision to be covered by that specific NAF retirement plan, regardless of future moves between NAF and civil service employment, breaks in service, and changes in retirement status. If the employee moves from the civil service position to a NAF position in a different Component, the employee remains covered by the elected Component NAF retirement plan.

Q25. Where can an HRO find guidance regarding correcting delayed retirement portability elections?

A25. OPM BAL 02-102, which provides guidance on P.L. 107-107 portability law, instructs payroll offices to follow the November 5, 1996 Payroll Office Letter 96—06 instructions for correcting civil service payroll records for a delayed election to retain NAF retirement coverage. TSP error correction regulations apply with respect to TSP contributions. DoD Component NAF retirement plan policy and guidance apply with respect to corrections to NAF retirement plan contributions and deductions. See also Section 11 of this Guide.

Q26. What if the employee made a valid retirement coverage election and the election wasn’t implemented?

A26. Once the employee has made a retirement portability election under Public Laws 101-508, 104-106, or 107-107, the election is irrevocable. There are no waiver provisions regarding the elections or agency mistakes implementing the elections. Elections are effective on the date of the qualifying move (see 5 CFR requirements; for example, for P.L. 107-107, see 5 CFR 847.207 and 847.208). If the employing agency makes a mistake and a valid election is not implemented, the agency must make all applicable corrections in accordance with the retirement plan’s corrective action policy and regulations.

Q27. If a civil service employee does not elect to remain in CSRS or FERS when moving to NAF, can that employee choose to have TSP loan payments deducted from NAF pay?

A27. No. NAF employers may not deduct and transmit TSP loan payments for employees who do not elect to remain in CSRS or FERS. Those employees have separated from CSRS/FERS-covered service and must prepay their TSP loans or TSP will declare the loan to be a taxable distribution (5 CFR 1620.35). Information on TSP loans may be found on the TSP website. A TSP booklet on loans, found at <https://www.tsp.gov/publications/tspbk04.pdf>, may be helpful to employees.

13.9. REEMPLOYED ANNUITANT ISSUES.

Q1. Under what circumstances will civil service reemployed annuitant rules apply to a civil service annuitant who becomes employed in a DoD NAF position?

A.1. An individual who makes a retirement portability election to remain in CSRS or FERS as a NAF employee remains in that civil service plan, regardless of NAF or civil service employment or retirement status. In that circumstance, civil service reemployed annuitant rules (including DoD employment policy in DoDI 1400.25, Volume 300) apply to a civil service annuitant who becomes employed in a DoD NAF position.

Q2. Must an appointing NAF HRO offer a retirement portability election to a FERS annuitant, if the annuitant is hired in a retirement-covered NAF position without a break in service of more than one year?

A2. Yes, if the individual has not had a prior opportunity to remain in FERS following a move to NAF. The same retirement portability eligibility criteria applicable to non-annuitants applies to annuitants (move between retirement-covered positions; move without a break in service of more than one year; and not had a prior opportunity to make the same retirement coverage election).

If the annuitant chooses to remain covered by FERS as a NAF employee, civil service reemployed annuitant rules and DoD employment policy in DoDI 1400.25, Volume 300 apply. An election to remain in FERS means that the employee cannot contribute to the NAF retirement plan or NAF 401(k).

If the employee elects NOT to remain in FERS, the employee will NOT be considered a reemployed civil service annuitant. The employee will continue to receive a FERS annuity, independent of the NAF employment system. The employee will also be eligible for NAF defined benefit and NAF 401(k) coverage.

See Section 6.10 of this Guide for further information and references on annuitants' eligibility for retirement coverage elections.

Q3. If an individual who previously elected to retain FERS retirement coverage retires, and is appointed to a NAF position, is that person eligible to participate in the employing NAF retirement system and 401(k) savings plan?

A3. No. The individual made an irrevocable decision to remain in FERS regardless of future moves between NAF and civil service employment, breaks in service, and changes in retirement status. The individual will be subject to FERS reemployed annuitant rules in DoDI 1400.25, Volume 300. Under those rules, with certain exceptions, reemployed annuitants continue to receive their full FERS annuity, but will only be eligible to contribute to FICA during the reemployment in DoD. Reemployed annuitants are not eligible to make retirement contributions or participate in TSP or the NAF 401(k).

Q4. If an individual who previously elected to retain coverage in a NAF retirement plan retires, and is appointed to a civil service position, is that person eligible to participate in FERS and TSP?

A4. No. The individual made an irrevocable decision to remain in the NAF retirement plan regardless of future moves between NAF and civil service employment, breaks in service, and changes in retirement status. The individual will be subject to the reemployed annuitant rules of the Component NAF retirement plan in which the individual retained coverage. The gaining civil service HRO will need to obtain guidance from the applicable NAF retirement benefits

office. Depending upon which Component NAF retirement plan covers the employee, the employee may be eligible to resume contributions and receive a recalculated annuity when the employee again retires.

Q5. An employee elected to remain in FERS as a NAF employee, retired from FERS, and came back to work in a NAF position two years after FERS retirement. Does it make a difference to the employee's retirement coverage that there was a break in service of more than one year between the time of FERS retirement and NAF reemployment?

A5. No. The employee made an irrevocable election to remain in FERS, regardless of NAF or civil service employment or retirement status. The employee is not eligible for another retirement coverage election. The employee is subject to FERS reemployed annuitant rules. The employee cannot contribute to the NAF defined benefit plan or 401(k).

Q6. A FERS annuitant with no prior retirement portability election becomes employed in a NAF Flexible position with no retirement coverage. Do civil service reemployed annuitant rules apply in any way?

A6. No. The individual is not a reemployed civil service annuitant. The FERS annuity is not affected by the NAF employment. The movement was not between retirement-covered positions, so the employee is not eligible for an election to remain in FERS as a NAF employee.

Q7. Could reemployment affect an annuitant's post-retirement benefits?

A7. Possibly. Before hiring an annuitant, the HRO and the annuitant should determine how the annuitant's benefits will be affected. This is particularly true for annuitants who retained retirement coverage under portability of benefits provisions. For example, a civil service employee who retired under a DoD NAF retirement plan and took FEHB as an annuitant should be cautious about reemployment in a NAF position. Some NAF retirement plans stop an employee's NAF annuity upon reemployment. Stopping the NAF annuity upon reemployment in a NAF position could affect the employee's FEHB enrollment, since the individual would not be eligible for FEHB as an employee and the individual would no longer be receiving an annuity.

Q8. A NAF employee in a NAF retirement-covered position, who is also a FERS annuitant (FERS retirement was immediate voluntary; no prior portability election), has been offered a FERS-covered DoD civil service position. Will the employee be eligible to elect to remain in the NAF retirement plan following reemployment in the civil service position?

A.8. No. Under Title 5, U.S.C. 9902(g), a CSRS or FERS annuitant who is rehired in a DoD position is not considered an employee for purposes of CSRS/FERS, with certain exceptions, such as retirement under Discontinued Service Retirement (DSR). Because the employee isn't moving to a position where they can be covered by FERS, the employee isn't eligible to elect to retain NAF retirement coverage.

Q9. A FERS employee (no prior portability election) retires on DSR and is employed in a retirement-covered NAF position within 1 year of retirement. Is the employee entitled to a retirement portability election?

A9. Yes. The employee is entitled to a portability election to remain in FERS. If the employee elects to remain in FERS, the DSR reemployed annuitant rules apply. Under the FERS DSR reemployed annuitant rules, the employee would be offered an opportunity to earn further FERS

retirement credit, or be in FICA only and receive full salary and annuity. If the employee does not elect to remain in FERS, coverage will be under the NAF retirement system and the employee would not be considered a reemployed annuitant.

13.10. CREDITING DOD NAF SERVICE FOR CSRS OR FERS IMMEDIATE RETIREMENT UNDER SECTION 1132 OF P.L. 107-107.

Q1. Who can elect to use prior DoD NAF service to qualify for immediate CSRS or FERS retirement?

A1. CSRS, CSRS Offset and FERS employees may elect to credit NAF service to establish eligibility for immediate retirement if they:

1. Have at least 5 years of creditable non-NAF civilian service and qualify for a deferred CSRS or FERS retirement, and
2. Do not already qualify for an immediate CSRS or FERS retirement based on their non-NAF service.

See Section 9 of this Guide for full information and references regarding crediting NAF service for immediate CSRS or FERS retirement.

Q2. If an employee elects to use NAF service to qualify for an immediate CSRS or FERS retirement, will the NAF service increase the amount of the employee's CSRS or FERS retirement annuity?

A2. No. Employees electing to use NAF service to qualify for an immediate CSRS or FERS annuity receive an annuity that is actuarially reduced to offset the additional cost to the CSRS or FERS retirement fund. OPM BAL 03-102 explains how to compute the annuity of an employee who elects to credit NAF service towards immediate CSRS or FERS retirement.

Q3. When do employees make their election to use NAF service to qualify for immediate CSRS or FERS retirement?

A3. Employees make the election when they decide to retire. The servicing benefits office provides the employee with the NAF service credit election form, RI 38-145, along with the rest of the retirement application package.

Q4. Can an employee who is already eligible for an immediate MRA+10 FERS benefit combine prior NAF service with FERS service to qualify for regular unreduced FERS annuity?

A4. No. An employee who qualifies for an immediate retirement based on their non-NAF service is not eligible for an election to credit prior NAF service. Section 1132 of P.L. 107-107 gives employees the opportunity to credit NAF service for the sole purpose of establishing eligibility for an immediate retirement. It does not authorize crediting NAF service for the purpose of increasing the amount of the annuity.

Q5. Is an employee who uses NAF service to qualify for immediate FERS retirement eligible to receive the FERS retirement supplement?

A5. No. An employee who elects to use NAF service to qualify for immediate FERS retirement is not eligible for the FERS retirement supplement.

Q6. Can employees increase their CSRS or FERS annuity by paying a deposit for the NAF service used under Section 1132 of P.L. 107-107, or can they transfer NAF retirement deductions?

A6. No. Employees cannot pay CSRS or FERS deposits to cover the NAF service. NAF retirement funds cannot transfer employee or employer deductions to the CSRS or FERS retirement fund to cover the NAF service.

13.11. FERS CREDIT FOR NAF SERVICE UNDER P.L. 104-106 RETROACTIVE PROVISIONS.

Q1. Is an employee who elected to receive FERS credit for NAF service under P.L. 104-106 retroactive provisions eligible to receive a FERS annuity supplement?

A1. Yes. NAF service under a P.L. 104-106 retroactive election to remain in FERS with credit for NAFI service is credited for both eligibility and annuity computation (see 5 CFR 847.421(c)). Actuarial reductions take into account receipt of annuity earlier than would be possible with just FERS service (see Subparts F and G of 5 CFR Part 847 and BAL 96-108 for instructions on benefit computation).

Q2. What was the time limit for an employee to make a P.L. 104-106 retroactive election?

A2. In 1996, eligible employees were given a 1-year period during which they could elect to combine their FERS and NAF service based on a qualifying move occurring after December 31, 1965, and before August 10, 1996. However, implementing regulations (see 5 CFR 847.304) require that the employing agency waive the August 11, 1997, election time limit if the employee did not receive notice or counseling of the retroactive election opportunity. OPM, DoD, and Component notifications issued in 1996 and 1997 should have been sufficient to reach potentially eligible employees. However, the employing Component must waive the time limit, if it concludes the employee was not notified and the employee meets the eligibility criteria.

Q3. What does the HRO do if a valid P.L. 104-106 election wasn't implemented?

A3. The employing Component must take steps to implement the election. See Section 11.3 of this Guide for further information.

GLOSSARY

G.1. ACRONYMS.

| | |
|-----------|---|
| AAFES | Army and Air Force Exchange Service |
| BAL | benefits administration letter |
| BBA | business based action |
| CNIC | Commander, Navy Installation Command |
| CFR | Code of Federal Regulations |
| CSRS | civil service retirement system |
| CT | Crafts and Trades |
| DASD(CPP) | Deputy Assistant Secretary of Defense (Civilian Personnel Policy) |
| DFAS | Defense Finance and Accounting Service |
| EMF | employee medical folder |
| e-OPF | electronic official personnel folder |
| FEGLI | Federal employees group life insurance |
| FEHB | Federal employees health benefits |
| FERCCA | Federal Erroneous Retirement Coverage Corrections Act |
| FERS | Federal employees retirement system |
| FRAE | further revised annuity employee |
| GS | General Schedule |
| HBP | health benefits program |
| HRO | human resources office |
| IRR | individual retirement record |
| LoB | Line of Business |
| MRPF | merged records personnel folder |
| MSPB | Merit System Protection Board |
| MWR | Morale, Welfare, and Recreation |
| NAF | nonappropriated fund |
| NAFI | Nonappropriated Fund Instrumentality |
| NEXCOM | Navy Exchange Service Command |
| NOAC | nature of action code |
| OPF | official personnel folder |

| | |
|--------|------------------------------------|
| OPM | Office of Personnel Management |
| P.L. | Public Law |
| RAE | revised annuity employee |
| RIF | reduction in force |
| SF | standard form |
| TCC | temporary continuation of coverage |
| TSP | Thrift Savings Plan |
| UFM | uniform funding and management |
| U.S.C. | United States Code |

REFERENCES

Law

United States Code, Title 5

United States Code, Title 10, Section 2491

OPM Regulations and Guidance

Code of Federal Regulations, Title 5

[OPM Benefits Administration Letter 96-107](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/1996/96-107.pdf), August 20, 1996, deals with retirement election opportunities for certain NAF employees appointed to civil service positions on or after August 10, 1996. (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/1996/96-107.pdf>)

[OPM Benefits Administration Letter 96-108](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/1996/96-108.pdf), September 6, 1996, deals with retirement election opportunities for certain FERS employees appointed before August 10, 1996, with previous NAF service in DoD or the Coast Guard. (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/1996/96-108.pdf>)

[OPM Benefits Administration Letter 02-102](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102.pdf), May 1, 2002, describes retirement election opportunities under P.L. 107-107 for employees moving between civil service and NAF positions on or after December 28, 2001. (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102.pdf>)

[OPM Benefits Administration Letter 03-102](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2003/03-102.pdf), January 22, 2003, describes how employees may make an election to credit NAF service to qualify for immediate retirement and how to compute the annuity when such an election is made. (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2003/03-102.pdf>, (see tab 2003))

[Guide to Personnel Record-Keeping](https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/personnel-recordkeeping/recguide2011.pdf). <https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/personnel-recordkeeping/recguide2011.pdf>

DoD References*

Deputy Assistant Secretary of Defense (Civilian Personnel Policy) (DASD(CPP)) memorandum dated April 16, 1991, Subject: “DoD Employee Benefit Portability Program”

DASD (CPP) memorandum dated August 9, 1996, Subject: “Retirement Coverage Election Under Section 1043, Public Law 104-106”

DASD (CPP) memorandum dated October 28, 1996, Subject: “Retirement Coverage Election Under Section 1043, Public Law 104-106”

DASD (CPP) memorandum dated January 8, 1997, Subject: “Federal Retirement Thrift Investment Board Regulations Implementing Pension Portability Provisions”

DASD (CPP) memorandum dated July 14, 1997, Subject: “Retroactive Retirement Coverage Elections under Section 1043, Public Law 104-106”

DASD (CPP) memorandum dated June 10, 2002, Subject: “Retirement Election Opportunities Under Public Law 107-107, The National Defense Authorization Act for Fiscal Year 2002”

DUSD (CPP) memorandum dated March 12, 2003, Subject: “Retirement Election Opportunities Under Public Law 107-107, National Defense Authorization Act for Fiscal Year 2002”

DoDI 1015.15, “Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources,” October 31, 2007, as amended

DoDI 1400.25, “DoD Civilian Personnel Management,” provides civilian personnel policy for DoD. [Volumes 1401 through 1471](#) contain Nonappropriated Fund Personnel Management policy. (http://www.dtic.mil/whs/directives/corres/CPM_table2.html)

[DoD Financial Management Regulation 7000.14-R, Volume 8](#), Civilian Pay Policy and Procedures, provides payroll regulations for appropriated fund activities. (http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_08.pdf)

[DoD Financial Management Regulation 7000.14-R, Volume 13](#), Nonappropriated Funds Policy and Procedures, directs financial management requirements, systems, and functions for NAF activities. (http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_13.pdf)

* Copies of DASD (CPP)/DUSD (CPP) memorandums are available from the Benefits, Wage & NAF Personnel Line of Business, Defense Civilian Personnel Advisory Service, 4800 Mark Center Drive, Suite 05G21, Alexandria, VA 22350-1100, Telephone (571) 372-1566 or DSN 372-1566.