

# The PULSE

*Portability Updates for Liaisons and Shared Expertise  
for Employees & Employers*

## **Welcome to the Inaugural Issue of *THE PULSE***

Portability of benefits - the rules are complicated, complex and a critical decision for employees. However, in our daily mission as an employee, human resources representative, benefits specialist, or payroll processor it is important to have an understanding of the portability of benefits rules and process. To help build knowledge, clarify difficult to understand portability policy and share updates with the portability of benefits community; it's a pleasure to introduce the inaugural issue of *THE PULSE*, NAF Policy's portability of benefits newsletter.

The purpose of *THE PULSE* is to inform and to provide a space for the exchange of knowledge. Topics *THE PULSE* will cover:

- ◆ Portability of Benefits (POB) Laws
- ◆ Regulatory Guidance
- ◆ DoD Policy Updates & Advisories
- ◆ Agency Processes
- ◆ Nonappropriated Fund (NAF) & Appropriated Fund (APF) Liaison
- ◆ Updates Shared Resources
- ◆ Training Opportunities
- ◆ Portability of Benefits Working Group (POBWG) Updates

Navigating the portability of benefits rules may be difficult for employees when moving between NAF Component employers or between NAF and civil service employment. Therefore, to ensure employees successfully move from one employer to another, the human resources and benefits professionals must understand the complexity of the portability process, entitlements, roles and responsibilities.

We hope *THE PULSE* becomes a trusted space for sharing knowledge and your *go to* resource for timely information.

*Itzel R. Santana*  
*Associate Director*  
*Benefits, Wage & NAF Policy*



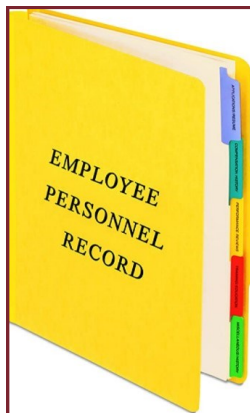
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### SPECIAL POINTS OF INTEREST

- DCPAS Employee Benefit Trainings
- Upcoming Events
- We Want To Hear From You

## ***“All About Me” File***



You just made a lifetime irrevocable decision about your retirement; now what do you need to do to be proactive in planning?

to ensure your file is complete when it comes time to accurately process your information.

1. Ensure you receive a copy of all personnel documents/actions you signed.
  - \* RI 38-134, RI 38-144, DA 7426, TSP, SF-50, DA 3434, AF2524, etc.
2. Buy a binder or folder and place copies of all personnel documents/actions in it.
  - \* **When you** receive a new document in your E-OPF or personnel record, print a copy for your “All About Me” file.
  - \* Over the years record transfers or system migrations occur and you want
3. It is **critical** to review your bi-weekly Leave and Earnings Statement (LES) to ensure your elected benefits are being deducted accurately.
  - \* DO NOT assume your HRO and payroll have you in the correct plan.
  - \* Make it a habit to review block 30 in your SF-50 after each **new RPA** for accuracy.
4. Bottom line, be proactive in your finances, benefits and retirement planning; not reactive!

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***“Be proactive in your finances, benefits and retirement planning; not reactive.”***

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### ***DCPAS Employee Benefits Trainings***

The DCPAS Employee Benefits Training (EBT) programs are designed to increase your knowledge of various HR concepts and practices. The virtual training emphasizes the core competencies required within the employee benefits functional area.

The three levels are: Basic (Level I); Intermediate (Level II); and Advanced Benefits Workshop (Level III)

To register please visit :

[https://  
www.dcpas.osd.mil/  
hrfunctionalcommunity/  
benefitsworklife/ employ-  
eebenefitstraining](https://www.dcpas.osd.mil/hrfunctionalcommunity/benefitsworklife/employ-eebenefitstraining)

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### ***Did You Know DCPAS Website Has POB Info?***

Portability of Benefits (POB) information can be found on the DCPAS website at: <https://www.dcpas.osd.mil/policy/naf/dodportabilitybenefits>. Please take time to explore its content for helpful portability related products and communications tools. To highlight a few:

The DCPAS "Portability of Benefits Reference Guide for Moves Between Civil Service and Nonappropriated Fund Employment Systems" provides a summary of various public laws, regulations, policy, and references applicable to moves between APF civil service and nonappropriated fund NAF employment systems. Other useful information in the reference guide includes:

- Summary of key human resources office responsibilities.
- Appointment and separation processing guidance.
- Retirement election forms and guidance.
- Guidance for processing retirements for employees who retained NAF retirement coverage.
- Points of contact addresses and phone numbers.
- Frequently Asked Questions (FAQs).

The POB Toolkit is a collection of documents and communication tools for DoD human resource offices to use in processing employee moves between APF civil service and DoD NAF employment systems. This toolkit includes separation, appointment, and retirement election processing checklists, eligibility statements to tell employees whether they qualify for portability benefits, and retirement system information.

## ***Portability of Benefits***

There are differences between the DoD NAF personnel system and the civil service personnel system, particularly in the area of benefits. These differences may cause employees to lose service credit when moving between NAF and civil service jobs.

Several Laws prevent or limit service credit loss for employees moving between DoD NAF and Civil Service positions. Each of the laws have different eligibility criteria and benefit provisions. The Office of Personnel Management and DoD policies implement the laws.

To be eligible for portability of non-retirement benefits, an employee must move between a DoD NAF position and a DoD civil service position without a break in service of more than 3 days.

To be eligible for portability of retirement benefits, an employee must move between NAF and civil service positions without a break in service of more than 1 year. The DoD NAF position must be covered by one of the NAF retirement plans. The civil service position may be in any agency, as long as CSRS or FERS covers the position.

It's complicated. If you are thinking about moving between NAF and civil service systems, talk with your Human Resources Office to make sure you understand your choices.

## ***NAF 2 NAF Portability***

NAF to NAF portability policy is set forth in DoDI 1400.25, V1408, "DoD Civilian Personnel Management System: Issuance and Annuities for Nonappropriated Fund Employees," provides credit for prior NAF service when NAF employees move between Nonappropriated Fund Instrumentalities (NAFI). These moves can be voluntary (employee seeks and receives employment with another DoD NAFI) or involuntary (management initiative requiring movement of a position or positions). The provisions outlined below apply to regular NAF employees who move between DoD NAF Components. Some provisions may apply to flexible employees when benefits extend to flexible employees.

The NAF to NAF retirement portability provisions provide a measure of protection for employees that move between NAF employers. However, the provisions have drawbacks for employers and employees. An employee may retire with a lower annuity than if they had remained in one plan; gaining employers generally see their liabilities increase.

NAF employees who participate in a NAF retirement plan and move to a NAF employer with a different retirement plan may carry over their creditable service accrued for retirement annuity purposes with the prior NAFI within **90 days** of their move.

A vested employee may withdraw all contributions plus interest from the retirement plan of the losing DoD NAFI or elect to leave the monies on deposit for a deferred annuity from the losing DoD NAFI.

The losing NAF employer calculates the amount of deferred annuity the employee is entitled to upon the move to the gaining employer. The gaining employer will add the employee's creditable service with the losing employer to the creditable service with the gaining employer to calculate the annuity from the gaining employer. Upon the employee's retirement, the amount of the deferred annuity from the losing employer offsets the annuity from the gaining employer.



## **UPCOMING** **EVENTS**

- ◆ *The PULSE* Newsletter Articles Due - August 31, 2022
- ◆ DCPAS Benefits Virtual Symposium - September 26-30, 2022
- ◆ Annual NAF Policy HR Meeting - October 6, 2022
- ◆ POBWG Bi-Annual Meeting - October 27, 2022
- ◆ *The PULSE* Newsletter Articles Due - November 30, 2022

## DoD DCPAS Portability of Benefits Working Group

### We Want To Hear From You!

We know that each of you have dealt with those extraordinary HR and benefit stories, exemplary experiences, best practices, and have agency internal processes to share. *The PULSE* is an opportunity and platform to do just that. There is no better way to learn than from each other as we continuously work together to educate, advise and streamline the portability process.

Submit newsletter articles and images to:  
[lashawna.d.jordan.naf@mail.mil](mailto:lashawna.d.jordan.naf@mail.mil)



The DoD DCPAS Portability of Benefits Working Group (POBWG) was established April 2018 as an ongoing working group to develop clear and helpful portability of benefits guidance and procedures specific to processing a portability move between DoD Nonappropriated and DoD Appropriated Fund positions. The working group and various subgroups meet to identify efficiencies that will streamline the portability process across Components. We have

made progress in clarifying many issues that have been stumbling blocks for movement between the two separate employment systems, and in reducing errors related to portability moves. NAF Policy is pleased there is active engagement across the Components. Email portability of benefits questions to:

[dodhra.mc-alex.dcpas.mbx.naf@mail.mil](mailto:dodhra.mc-alex.dcpas.mbx.naf@mail.mil)

## Key Portability Requirements For Qualifying Moves

### For moves between DoD NAF and DoD civil service positions without a break in service of more than **3 days**:

**Pay:** Consideration of highest previous rate of pay permitted. Credit for NAF service towards GS step increase waiting period. Protection of last rate of basic pay if the move is not voluntary.

**Leave:** Annual, sick and home leave balances transfer; there is no payout of annual leave balance at time of move. Credit for prior service determines annual leave accrual rate in new position.

**Reduction-in-Force (RIF):** Service credit transfers for civil service RIF or NAF Business Based Action purposes.

### For moves between retirement-covered DoD NAF and civil service positions in any agency without a break in service of more than **1 year**:

#### Retirement Coverage Election:

Employees may elect to remain in their current retirement system;  
**or**

Enter the gaining employer's retirement system with no transfer of service credit by completing an RI 38-134 or RI 38-144.

#### Retirement Election Decision:

Must be made within **30 days** of appointment

Is a one-time irrevocable opportunity

Employees who retain NAF retirement coverage are not eligible to contribute to a civil service retirement plan or to the Thrift Savings Plan. Employees who retain CSRS or FERS retirement coverage are not eligible to contribute to a NAF retirement plan or NAF 401(k).



**POBWG Hails**

- ◆ Lisa Bowers - Army
- ◆ Kathryn (Katie) Deibler - DCPAS
- ◆ Stephanie McAlister - Army
- ◆ Dianna Murphy - Navy
- ◆ Charles (Chuck) Wadleigh - DCPAS
- ◆ Sonja Williams - Marine Corps



**POBWG Farewells**

- ◆ Sabrina Albacete - DCPAS
- ◆ Michael Gooden - Army
- ◆ Shannon Moss Scott - DCPAS
- ◆ Michelle O'Connor - DLA
- ◆ Drema Sergent - DLA
- ◆ Consiglia Sileo - WHS

**POBWG Retirement**

- ◆ Candice (Candy) Grierson - Navy
- ◆ Heidi Mauck - Marine Corps

Thank you for your many years of service and dedication to our civilian workforce and workgroup.



***DCPAS Summary:***

We provide DOD policy and guidance implementing portability of benefits laws and regulations governing employee moves between the civil service and DOD Nonappropriated Fund (NAF) Personnel Policy. DCPAS also provides advisory assistance to DOD Component Human Resources Office staff on portability issues that may occur when an employee moves between the two systems.

***NAF Inquires:***  
[dodhra.mc-alex.dcpas.mbx.naf@mail.mil](mailto:dodhra.mc-alex.dcpas.mbx.naf@mail.mil)

***APF Inquires:***  
[dodhra.mc-alex.dcpas.mbx.benefits-contacts@mail.mil](mailto:dodhra.mc-alex.dcpas.mbx.benefits-contacts@mail.mil)

***Find us on the Web:***  
<https://www.dcpas.osd.mil/policy/naf/dodportabilitybenefits>

DEPARTMENT OF DEFENSE  
**DCPAS**  
 Defense Civilian Personnel Advisory Service

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