

The PULSE

Portability Updates for Liaisons and Shared Expertise for Employees and Employers

Retirement Planning
From the desk of Itzel R. Santana

This is the time of year time when employees begin to assess their personal and professional options. Some complete an internal evaluation to determine how much longer they want to work, or even decide to close one chapter of their lives and begin a new adventure. Retirement planning is the process of transitioning from the lifelong career the employee has held for many years to a steady, budgeted income. This process may be very exciting, and overwhelming all at once, but remember, employees have worked hard for this rewarding moment. Therefore, to prepare for this amazing transition, we offer the following strategies:

1. Identify employees who are 2-5 years from retirement, and assist them with planning out the best time to retire.
2. Conduct retirement seminars for them to attend and gather information.
3. Schedule meeting dates within your Human Resources Office for employees to review their options and find out the retirement process.
4. Audit and assist employees with eOPF/OPF review to ensure their retirement service information is accurate.
5. Advise the employee on how to request a retirement calculation from their Benefits Office representative.
6. Review retirement benefits eligibility such as health benefits, life insurance, etc.
7. Ensure employees update their beneficiaries and contact information.
8. Encourage employees to maintain a retirement folder/binder.

As employers, if you apply these strategies, your employees should not only have a seamless retirement process, but ready to enjoy their well deserved retirement.



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SPECIAL POINTS OF INTEREST

- We Want To Hear From You
- Hails & Farewells

RECENT PORTABILITY TRAININGS

NAF Policy conducted three successful trainings during the DoD, DCPAS 2022 Virtual Benefits & Work-Life Symposium. The sessions provided an overview of the NAF personnel system, portability of benefits laws and protections, and the process to follow when employees move between DoD civil service and NAF employment systems. Nearly 150 attendees learned about the NAF workforce and personnel system, portability rules regarding retirement coverage elections, pay and non-retirement benefits eligibility, and some of the common errors that occur when porting that may cause financial hardship or delay retirement. Symposium resources and materials are located at <https://www.dcpas.osd.mil/rfunctionalcommunity/benefitsworklife/benefitsconference>.

NAF Policy shared the important reminders below with the APF Staffers, and encouraged them to keep a close eye when dealing with employees who move between civil service and NAF employment systems:

1. Critical Elements of Portability
2. Gaining Agencies Roles & Responsibilities
3. Portability Error Corrections
4. Communication Between and Across Agency Components is Essential
5. APF HRO/ Benefits Office is responsible for completing FERS calculations for NAF employees.
6. Portability of Benefits Reference Guide (February 26, 2021) is a great tool to assist with a seamless transition and is located at: [DPCAS_Portability_of_Benefits_Reference_Guide_Final_February_26_2021_update.pdf](#)



****Reminder, if any NAF Components have upcoming formal portability trainings, share your flyers with us so that we may include them in our future newsletters prior to training dates.****



PORTABILITY OF BENEFITS TRAINING When an Army Portee Retires

Presented by Civilian Human Resources Agency (CHRA) G9 in coordination with CHRA Army Benefits Center-Civilian and Installation Management Command, G9.

Training Topics Included:

Applicable Governing Authorities

Roles and Responsibilities of Key Stakeholders

Tips to make for a seamless process...and so much more!

In September, Army held a training on the portability of benefits procedure for when an Army Portee (NAF/APF) leaves from federal service under the retirement plan of the losing agency (i.e. APF employee retires under NAF retirement plan and vice versa). For more information on upcoming Army trainings, contact Michelle Bennett at usarmy.apg.chra-hqs.mbx.nafhr-inquiries@army.mil.

Training is a PROCESS,
not an event. It begins
long before participants
show up and continues
until we see results in
the workplace.”

~ Bob Pike



We Want To Hear From You!

We know that each of you have dealt with those extraordinary HR and benefits stories, exemplary experiences, best practices, and have agency internal processes to share. The *PULSE* is an opportunity and platform to do just that. What 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



LEAVE TRANSFER

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)). (<https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodi/140025V1406p.pdf?ver=2018-04-04-120211-627>). 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.

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).

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)(d)).

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.

USE OF WORK EMAIL ADDRESS AND PHONE NUMBER ON RETIREMENT APPLICATION

OPM sent the following reminder earlier this year. Ensure you are adhering to this guidance or sharing with anyone at your agency who has input in your retirement application process.

Be mindful about the importance of annotating a personal email address and personal phone numbers of an employee submitting an "Application for Immediate Retirement" SF 2108/SF 3107. Block 4a on the application specifically asks for the daytime telephone number after retirement. Block 4c asks for the home email address. It is very important for this information to reflect the correct email address and phone numbers the applicant will have access to after their selected retirement date.

An annuitant's work contact information changes directly after they have detached from the agency. The email and phone numbers generally are canceled once the employee retires and they will no longer have access to the email account or telephone.

Often times OPM processors need to make direct contact with the annuitant to obtain further information during the processing or after final adjudication of a retirement application. Those calls and emails are often rejected due to the contact information on the retirement application being outdated.

NAF Components, please note, this is also good guidance to implement with your benefit agencies and Human Resources Offices regarding your retirement application processes.

PORTABILITY OF BENEFITS ADVISORIES

Our NAF Policy inbox frequently receives inquiries relating to portability of benefits that are often repetitious. Here's a few key advisories to reiterate:

The DoD/OPM Interchange Agreement. The Interchange Agreement is an appointing authority; it does not authorize service credit for pay and benefits. The Interchange Agreement permits DoD NAF employees to be appointed to positions in the competitive civil service in any agency. Please refer to Sections 3.3 and 13.1 of the portability reference guide for further details and regulatory citations.

Retirement Coverage Elections. The gaining HROs must confirm the new employee made a qualifying move between a civil service and NAF position on or after 12/28/2001, and met the eligibility criteria for retirement coverage elections. This means that the gaining HROs should communicate with the losing HRO on confirming retirement portability. Please refer to Sections 6 and 13.8 of the portability reference guide for further details and regulatory citations.

Retirement Portability Election Forms. Retirement portability election forms are signed after the appointment. 5 CFR 847.202(g) states that a qualifying move is considered to occur on the date the individual enters into the new position, not at the time of separation from the prior position. The gaining HRO completes Part I of the Form RI 38-134 (for moves from NAF to civil service) or RI 38-144 (for moves from civil service to NAF); the gaining HRO also determines who within their operations is authorized to sign off on the form. The gaining agency coordinates with the losing agency to confirm that the employee moved from a retirement-covered position to a retirement-covered position without a break in service of more than 1 year. The losing agency can give departing employees a copy of the election form and educate the employees about the election they may be eligible to receive, but the losing agency does not offer or accept the actual election. Please refer Appendix 6A and 6B of the portability reference guide for informational copies of the forms.

Crediting NAF Service for CSRS or FERS Immediate Retirement. When credit for NAF service towards immediate CSRS or FERS retirement is given to an employee who is eligible for credit under Section 1132 of Public Law 107-107, that credit is given at the time of retirement. If the employee already qualifies for an immediate retirement based on their non-NAF service, Section 1132 of P.L. 107-107 does not apply. That credit under Section 1132 of Public Law 107-107, can 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 (i.e., MRA+10) are not eligible for this election. The employee must:

1. Have at least 5 years of creditable APF service under CSRS or FERS and qualify for a deferred CSRS or FERS retirement, and
2. Not qualify for an immediate CSRS or FERS retirement using non-NAF service.

Please note, even if the employee is eligible to use the NAF service for purposes of an immediate annuity, the credit for NAF service will not result in a higher CSRS or FERS annuity benefit; the CSRS or FERS annuity will be actuarially reduced to offset the additional cost to the CSRS or FERS retirement fund. Please refer to Sections 9 and 13.10 of the portability reference guide for further details and regulatory citations.

DoD NAF Documentation. There are DoD NAF forms that are equivalent to the civil service system's SF-50. Each of the six NAF employers has different forms or electronically generated reports that are equivalent to the SF-50. Please refer to Appendix 3A of the portability reference guide for further details.



Welcome to the Team!

POBWG Hails

- ◆ Amanda Allen - DFAS
- ◆ Charlene Berger - Army
- ◆ Clifford Bowers - DFAS
- ◆ Sharonda Hayes - DFAS
- ◆ Somkid Morris - AAFES
- ◆ Valerie Sanchez - AAFES

****The PULSE Newsletter Articles Due - February 10, 2023****



POBWG Farewells

- ◆ Amy Hughes - Air Force
- ◆ Frances Kalbouridis - DFAS
- ◆ JeeYoung Kang - Army
- ◆ Rita Klauda - DFAS
- ◆ Brian Lautieri - AAFES
- ◆ Debbie Nodado - AAFES
- ◆ Frank Roig - Army

****POBWG Bi-Annual Meeting - March 23, 2023****

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) employment systems. 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:

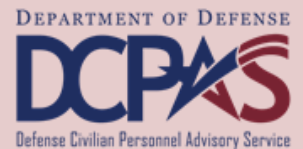
dodhra.mc-alex.dcpas.mbx.naf@mail.mil

APF Inquires:

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

Find us on the Web:

<https://www.dcpas.osd.mil/policy/naf/dodportabilitybenefits>



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