

# REDUCTIONS IN FORCE OVERVIEW

The U.S. Office of Personnel Management develops policy and provides guidance to Federal agencies regarding Reduction in Force (RIF). This page serves as a portal to assist you in locating pertinent information and content related to RIF in the Federal Government.

When an agency must abolish positions, the RIF regulations determine whether an employee keeps his or her present position, or whether the employee has a right to a different position. The regulatory requirements governing reduction in force are contained in Title 5, Code of Federal Regulations, Part 351. Federal agencies must follow the procedures contained in the Code of Federal Regulations when conducting a RIF. The law provides that OPM's RIF regulations must give effect to four factors in releasing employees:

1. tenure of employment (e.g., type of appointment);
2. veterans' preference;
3. length of service; and
4. performance ratings.

An agency is required to use the RIF procedures when an employee is faced with separation or downgrading for a reason such as reorganization, lack of work, shortage of funds, insufficient personnel ceiling, or the exercise of certain reemployment or restoration rights. A furlough of more than 30 calendar days, or of more than 22 discontinuous work days, is also a RIF action. (A furlough of 30 or fewer calendar days, or of 22 or fewer discontinuous work days, is an adverse action.)

This site provides general and detailed information and guidance on RIF procedures.

Click the Tabs for general information about:

## Summary of Reduction in Force

This summary covers the procedures in OPM's reduction in force regulations.

## The Employee Guide to Reduction in Force Benefits

The information presented in this guide is intended to provide an overview of benefits and entitlements if you are affected by RIF. The information is general in nature and cannot cover every situation. It may not be

applicable to every Federal employee. If you need more specific information, please contact your servicing human resources office.

## Summary of Transfer of Function

A transfer of function takes place when a function ceases in one competitive area, and moves to one or more other competitive areas that do not perform the function at the time of transfer. This summary covers the rights of non-temporary employees who have the right to move with their work to another organization if the alternative is separation or downgrading by RIF.

## Workforce Reshaping Operations Handbook and Appendices

The [Workforce Reshaping Operations Handbook\(PDF file\)](#) with [Appendices\(PDF file\)](#) assists Federal agencies that are reshaping by identifying mandatory procedures that agencies must follow and by suggesting related options that may reduce the likelihood of involuntary separations.

## SUMMARY OF REDUCTION IN FORCE UNDER OPM'S REGULATIONS

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## Learning About the RIF Regulations

One of the most difficult situations in any worker's life is being laid off.

In the Federal Government, layoffs are called reduction in force (RIF) actions. When an agency must abolish positions, the RIF regulations determine whether an employee keeps his or her present position, or whether the employee has a right to a different position.

This summary discusses the procedures in the RIF regulations. With this summary, employees, managers, collective bargaining representatives, and others will have an overview of both the agency's and its employees' rights in a restructuring situation.

The appropriate human resource office in the agency can provide additional information on specific questions relating to RIF policies, options, and entitlements.

## Legal Basis for the RIF Regulations

The RIF regulations are derived from section 12 of the Veterans' Preference Act of 1944 and other statutes. These laws are codified in sections 3501 through 3503 of title 5, United States Code (5 U.S.C. 3501-3503). OPM implements these statutory requirements through regulations published in part 351 of title 5, Code of Federal Regulations (5 C.F.R. part 351).

The law provides that the RIF regulations must give effect to four retention factors:

1. Tenure of employment (i.e., type of appointment);
2. Veterans' preference;
3. Total creditable Federal civilian and uniformed service; and
4. Performance ratings.

This summary will cover each factor in more detail.

## The Agency's Right to Make RIF Decisions

Each agency has the right to decide what positions are abolished, whether a RIF is necessary, and when the RIF will take place. Once the agency makes these decisions, the retention regulations then determine which employee is actually reached for a RIF action.

# Actions Covered by the RIF Regulations

An agency must use the RIF regulations before separating or demoting an employee because of an organizational reason such as reorganization, including lack of work, shortage of funds, insufficient personnel ceiling, or the exercise of certain reemployment or restoration rights. In fact, virtually all RIF actions are the result of a reorganization (e.g., the agency reorganizes as the result of a shortage of funds, lack of work, restructuring, etc.).

A furlough of more than 30 calendar days, or of more than 22 discontinuous workdays, is also a RIF action. (A furlough of 30 or fewer calendar days, or of 22 or fewer discontinuous workdays, is an adverse action.)

An agency may not use the RIF regulations to separate or demote an employee for a personal reason, such as problems with the employee's performance or conduct.

## The Agency's Right to Reassign Employees

The abolishment of a position does not always require the use of RIF procedures. The agency has the right to avoid a RIF action by simply reassigning an employee to a vacant position at the same grade or pay without regard to the employee's rights under the RIF regulations. The vacant position may be in the same or in a different classification series, line of work, and/or geographic location. The "Summary of Reassignment Under the Regulations" includes additional information on reassignment.

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## Defining the Competitive Area

When preparing for a RIF, the agency defines the "**Competitive Area**" that establishes the geographical and organizational limits for RIF competition.

A competitive area may consist of all or part of an agency. The minimum competitive area is an organization in a local commuting area that is separate from other agency organizations because of differences in operation, work function, staff, and personnel administration. Separate personnel administration is the authority of managers to authorize personnel actions (i.e., establishing positions, abolishing positions, etc.), not just process personnel actions. For example, a single personnel office may potentially process actions for multiple competitive areas.

At its option, an agency may establish a competitive area larger than the minimum standard. The regulations do not define the maximum size of a competitive area (e.g., a competitive area may potentially be nationwide or even worldwide).

An Inspector General activity covered by the Inspector General Act of 1978 is always defined as a separate competitive area.

If an agency wants to redefine a competitive area within 90 days of the RIF effective date, the agency must obtain OPM's approval for the change.

# Defining the Local Commuting Area

While defining its competitive area, the agency also defines the appropriate "**Local Commuting Area(s)**" for the competitive area.

A local commuting area usually includes one population center in which employees live and reasonably travel back and forth to work. The regulations do not define a mileage standard for local commuting area. Instead, the agency must apply the regulations and determine what is reasonable for a specific geographic location.

# Establishing Competitive Levels

Within each competitive area, the agency groups interchangeable positions into "**Competitive Levels.**"

Each competitive level includes positions with the same grade, classification series, and official tour of duty (e.g., full-time, part-time, seasonal, or intermittent). For example, otherwise identical full-time and seasonal positions are placed in separate competitive levels even when the agency conducts a RIF while the seasonal employee happens to be working a full-time tour of duty.

All positions in a competitive level have interchangeable qualifications, duties, and responsibilities. The agency establishes a competitive level based on employees' official position descriptions, not on the employees' personal qualifications.

The agency establishes separate competitive levels for positions filled as part of a formally designated trainee or developmental program. The agency also establishes separate competitive levels for positions filled on competitive service appointments, and for positions filled on excepted service appointments.

The agency places two similar positions (e.g., same grade, classification series, work schedule, etc.), in the same competitive level when the position descriptions for the two positions show that an employee in either one of the positions needs no more than 90 days to be able to perform the key tasks of the other position.

The agency does not include employees with competitive service temporary appointments in the competitive level because these employees serve at the will of the agency. The agency includes excepted employees with temporary appointments of 1 year or less in the competitive level only after the employee completes more than 1 year of current continuous service under the same type of appointment.

# Establishing Retention Registers

After grouping interchangeable positions into competitive levels, the agency applies the four retention factors in establishing separate "**Retention Registers**" for each competitive level that may be involved in the RIF. The terms "**Competitive Level**" and "**Retention Register**" generally have the same meaning. "**Retention Register**" is the ranking of employees in the competitive level after the agency applies the four retention factors.

The agency lists the name of each employee on the retention register in the order of the employee's relative retention standing. For example, the employee with the highest standing is at the top of the register, and the

employee with the lowest standing is at the bottom of the register.

## Determining Retention Standing-Tenure

Beginning with Group I, the agency ranks competitive service employees on a retention register in three groups according to their types of appointment:

**Group I** - Includes career employees who are not serving on probation. A new supervisor or manager who is serving a probationary period that is required on initial appointment to that type of position is not considered to be serving on probation if the employee previously completed a probationary period.

**Group II** - Includes career-conditional employees, and career employees who are serving a probationary period because of a new appointment.

**Group III** - Includes employees serving under term and similar non-status appointments.

Retention registers for excepted positions use similar tenure groups.

## Determining Retention Standing-Veterans' Preference

The agency divides each of the three tenure groups into three subgroups based upon employees' entitlement to veterans' preference for RIF purposes:

1. Subgroup AD - Includes veterans who are eligible for RIF preference and who have a compensable service-connected disability of 30% or more
2. Subgroup A - Includes veterans eligible for RIF preference who are not eligible for subgroup AD (including eligible spouses, widowers or widowers, and mothers of veterans).
3. Subgroup B - Includes nonveterans and others not eligible for RIF preference in subgroups AD and A.

OPM's publication "Vet Guide" has additional information on eligibility for veterans' preference. Vet Guide is available on the OPM website.

## Determining Retention Standing-Veterans' Preference for Retired Members of the Armed Forces

By law (i.e., the Dual Compensation Act of 1964, as presently codified in section 3501(a) of title 5, United States Code), a retired member of the Armed Forces is a veteran under the RIF regulations only if the employee meets one of the following three conditions:

1. The Armed Forces retirement (without regard to benefits from the Department of Veterans Affairs) is directly based upon a combat-incurred disability or injury; or
2. The Armed Forces retirement is based upon less than 20 years of active duty; or
3. The employee has been working for the Government since November 30, 1964, without a break in service of more than 30 days.

## Determining Retention Standing-Total Creditable Service

Within each subgroup, the agency ranks employees by their respective service dates. For example, the agency places the employee with the most service at the top of the subgroup, and places the employee with the least service at the bottom of the subgroup.

Retention service credit includes all creditable Federal civilian and military service.

A retired member of the Armed Forces with 20 or more years of military service who is not eligible for veterans' preference under the RIF regulations receives retention credit only for Armed Forces service during a war, or service performed in a campaign or expedition for which the individual received a badge.

## Determining Retention Standing-Performance

Employees receive extra retention service credit for performance based upon the average of their last three annual performance ratings of record received during the 4-year period prior to the date the agency either (1) issues specific RIF notices, or (2) at its option, freezes ratings before issuing RIF notices. If an employee received more than three ratings during the 4-year period, the agency uses the three most recent annual ratings of record.

Most employees receive performance ratings of record under one of eight possible summary rating patterns required by paragraph 5 C.F.R. 430.208(d) of the performance appraisal regulations (e.g., a two-level "Pass/Fail" pattern, a traditional five-level pattern, etc.) The RIF regulations cover situations when all employees in the competitive area are covered by a single rating pattern (e.g., all employees are covered by a five-level pattern), as well as situations when employees in the competitive area are covered by more than one summary rating pattern (e.g., some employees are covered by a five level pattern, while other employees are covered by a two-level "Pass/Fail" pattern).

- **Single Rating Pattern.** An agency has a single rating pattern when all employees in the competitive area received performance ratings of record under only one of the eight possible summary rating patterns. For example, all of the employees in the competitive area have ratings of record only under a five-level pattern, or only under a two-level pattern, or under the same three-level pattern, etc. The amount of extra retention service credit with a single rating pattern is:
  1. **20** additional years for each performance rating of "**Outstanding**" or equivalent (i.e., Level V);
  2. **16** additional years for each performance rating of "**Exceeds Fully Successful**" or equivalent (i.e., Level IV); and,
  3. **12** additional years for each performance rating of "**Fully Successful**" or equivalent (i.e., Level III).

The agency does not give any additional service credit for performance ratings below Fully Successful or equivalent (i.e., no additional retention service credit for a rating of record below Level 3).

For example, an employee with 3 years of Federal service has one Outstanding rating of record, (20), and two Exceeds Fully Successful (16) ratings of record. The employee would receive additional reduction in force service credit based upon the three actual ratings of record:  $20 + 16 + 16 = 52$ , divided by  $3 = 17.3$ , rounded up to 18 years of additional retention credit for performance.

The agency always rounds up a fraction (e.g., 17.3 years) to the next whole number (e.g., 18 years) for the final value of the employee's additional retention credit for performance.

- **Multiple Rating Patterns.** If an agency has employees in a competitive area who have performance ratings of record under more than one of the eight possible summary rating patterns, at its option the agency may provide different amounts of additional retention service credit for employees who have the same summary level, but are under different patterns. The range of additional service credit is still limited from 12 to 20 years.

For example, the agency may elect to provide employees who have a Level 3 (Fully Successful or equivalent) rating of record under a two-level Pass/Fail pattern with 18 years of additional retention service credit, while electing to continue providing employees who have a Level 4 (Exceeds Fully Successful or equivalent) rating of record under a five-level pattern with 16 years of additional retention service credit.

- **Less Than Three Ratings of Record.** If an employee received one or two, but not three ratings of record during the applicable 4-year period, the agency gives credit for performance on the basis of the actual rating(s) of record divided by the number of actual ratings received.
- **Modal Rating.** If an employee did not receive any ratings of record during the applicable 4-year period, the agency gives retention credit on the basis of a single "**Modal Rating**" for the employee's summary level pattern.

The modal rating is the summary rating level given most frequently to the summary rating pattern that applies to the employee's position. For example, if Level 4 (Exceeds Fully Successful) is the most frequent rating of record for employees covered by a five-level pattern, Level 4 is the modal rating for an employee under that pattern who did not receive any ratings of record.

The agency determines the modal rating on the basis of its most recently completed available ratings.

The agency also decides whether to base the modal rating upon ratings finalized throughout the agency, or upon ratings finalized in a smaller agency organization (such as the competitive area).

## Two Rounds of RIF Competition

In "**First Round RIF Competition**," the agency applies the four retention factors to a competitive level to identify which employee has the lowest retention factor. The agency may use RIF procedures to release the lowest-standing employee from the competitive level.

In "**Second Round RIF Competition**," the agency again applies the four retention factors, this time to determine whether a released employee has a bump or retreat right to a position in a different competitive level that is held by an employee with even lower retention standing.

# Sample Retention Register

This sample retention register, including additional credit for performance in the "RIF SCD," is a competitive level for GS-343-12 (Management Analyst) full-time employees holding competitive service appointments:

GS-343-12			
Group/Subgroup	Employee Name	SCD	RIF SCD
I-AD	Smith, Joseph O.	04-02-73	04-02-57
I-A	Brown, Nathaniel T.	11-14-66	11-14-50
	Wilson, William A.	07-31-65	07-31-53
I-B	Downs, Christopher G.	06-17-64	06-17-44
	Wright, Mary S.	03-28-94	03-28-74
	Finn, Charles N.	04-15-93	03-28-77
	White, Beatrice L.	08-22-95	08-22-79
II-A	Robinson, John H.	08-21-01	08-21-81
II-B	Keane, Susan M.	03-13-02	03-13-82

## Release From the Competitive Level

The agency releases employees from the retention register in the inverse order of their retention standing. For example, the agency begins with the employee who has the lowest standing in releasing employees from the competitive level as a reduction in force action.

The agency releases all employees in group III before releasing employees in group II, and releases all employees in group II before releasing employees in group I.

Then within subgroups, the agency releases all employees in subgroup B before releasing employees in subgroup A, and releases all employees in subgroup A before releasing employees in subgroup AD.

The agency must notify any employees reached for release out of this regular order (such as under a temporary or a continuing exception in order to retain an employee with special skills) of the reasons for the exception.

## Sample Release From the Competitive Level

This sample retention register is a competitive level for GS-343-12 full-time employees holding competitive service appointments:

GS-343-12				
Group/Subgroup	Employee Name	SCD	RIF SCD	Action
I-AD	Smith, Joseph O.	04-02-73	04-02-57	
I-A	Brown, Nathaniel T.	11-14-66	11-14-50	

Group/Subgroup	Employee Name	SCD	RIF SCD	Action
	Wilson, William A.	07-31-65	07-31-53	Position abolished; displaces White
I-B	Downs, Christopher G.	06-17-64	06-17-44	
	Wright, Mary S.	03-28-94	03-28-74	
	Finn, Charles N.	04-15-93	03-28-77	Transfers to different agency
	White, Beatrice L.	08-22-95	08-22-79	Displaced by Wilson; lowest standing; released; retreats to GS-560-11
II-A	Robinson, John H.	08-21-01	08-21-81	Position abolished; lowest standing; released; bumps to GS-346-9
II-B	Keane, Susan M.	03-13-02	03-13-82	Position abolished; lowest standing; released; separated

**Explanation** - Based solely upon organizational needs, the agency abolished four positions, held by Wilson, Finn, Robinson and Keane.

Finn transferred to a different agency before the RIF effective date.

In the RIF, Robinson and Keane had the lowest retention standing, and are released from the competitive level.

In other RIF-related actions, Wilson (in tenure group and subgroup I-A) displaced White (in tenure group and subgroup I-B). White is released from the competitive level because of lowest retention standing. Wilson retains the same I-A status after entering into White's former position. Wilson's displacement of White is not a RIF action because Wilson was not released from the competitive level.

Unless White, Robinson, and Keane have bump or retreat rights to another position, the agency may separate each employee by RIF.

Keane has no assignment right to another position and separates by RIF. Robinson has a bump right to another position, while White has a retreat right. This summary will cover both the bump and the retreat actions in more detail.

## Possible Right to Bump or Retreat to an Available Position

An employee who the agency releases from a competitive level may have bump or retreat rights to a continuing position on a different competitive level held by another employee with lower retention standing.

A released competitive service employee in tenure groups I or II has Bump or Retreat rights to an "**Available Position**" in the same competitive area if the agency would otherwise separate or demote the released employee by RIF, and the released employee has a current performance rating of record equivalent to Minimally Successful (Level II) or higher.

**Available Position.** The existence of an "**available position**" does not oblige an agency to offer an employee a particular position. However, an available position does establish the employee's right to be offered a position at the same grade of the available position.

An "**Available Position**" must:

1. Last at least 3 months;
2. Not be a temporary time-limited position;
3. Be in the competitive service;
4. Be a position that the released employee qualifies for;
5. Have a pay rate that requires no reduction, or the least possible reduction, in the released employee's present grade (but not to a higher grade than the employee's present position.);
6. Have the same type of work schedule (full-time, part-time, seasonal, intermittent, on-call) as the released employee's present position;
7. Be within three grades or grade-intervals of the employee's present position ("**Grade-Intervals**" are discussed below); and
8. Be held by an employee:
9. In a lower retention subgroup who is subject to bump rights, or
  1. In the same subgroup, but with less service, and who holds a position which the employee formerly occupied on a permanent basis (or an essentially identical position) that is subject to retreat rights.

Promotion potential is not a consideration in filling a position under the RIF regulations. A RIF offer may have less, more, or the same promotion potential as the released employee's present position.

An employee with an excepted service appointment has no assignment rights under the RIF regulations. However, an agency may elect to provide its excepted employees with RIF assignment rights to other excepted positions under the same appointment authority.

To determine employees' potential qualifications to bump or retreat into another position, before the agency issues RIF notices the agency may ask employees to submit a qualifications update by a designated freeze date.

## Bumping Rights

"**Bumping**" means displacing an employee on a different competitive level who is in a lower tenure group, or in a lower subgroup within the released employee's own tenure group.

For example, an otherwise eligible subgroup I-A employee could potentially bump a lower-standing employee on a different competitive level in subgroup I-B, in tenure Group II, or in tenure Group III. For another example, an otherwise eligible subgroup I-B employee could potentially bump a lower-standing employee in tenure Group II, or tenure Group III.

Although the released employee must be qualified for the position, the bump right may be to a position that the released employee never held.

At its option, the agency may consider employees' total service in determining an employee's bumping rights. This option provides the first offer to the otherwise eligible released employee with the most service.

# Sample Bump Right to a Different Competitive Level

This sample retention register is a competitive level for GS-346-9 (Logistics Management) full-time employees holding competitive service appointments. In this example, John Robinson (from the example in Section 18), who was released from the GS-343-12 competitive level by RIF, has a bump right to a position in the GS-343-9 competitive level because his II-A group and subgroup tenure is higher than the II-B tenure of Samuel Wills, and he is qualified for the position. The agency then determines whether Samuel Wills has a bump or retreat right to another position on a different retention register.

This is the best offer available to John Robinson. No higher-standing employee in RIF competition has a greater right than John Robinson to this GS-346-9 position:

GS-346-9				
Group/Subgroup	Employee Name	SCD	RIF SCD	Action
I-A	Lawrence, Patrick F.	01-19-79	01-19-65	
I-B	Jones, Bertha M.	05-01-94	05-01-74	
	Walsh, Charles N.	08-13-93	08-13-77	
	Hughes, Sheila C.	11-22-96	11-22-80	
II-B	Wills, Samuel H.	06-13-01	06/13/81	Bumped by Robinson from GS-343-12 retention register; lowest standing; released; separated

After John Robinson bumps Samuel Wills, John Robinson retains the same II-A group and subgroup tenure from the former GS-343-12 position. After the displacement of Samuel Wills, the retention register for the GS-346-9 positions looks like this:

GS-346-9			
Group/Subgroup	Employee Name	SCD	RIF SCD
I-A	Lawrence, Patrick F.	01-19-79	01-19-65
I-B	Jones, Bertha M.	05-01-94	05-01-74
	Walsh, Charles N.	08-13-93	08-13-77
	Hughes, Sheila C.	11-22-96	11-22-80
II-A	Robinson, John H.	08-21-01	08-21-81

## Retreating Rights

**"Retreating"** means displacing an employee on a different competitive level with less service within the released employee's own tenure group and subgroup.

The position may be up to five grades (or grade-intervals) lower than the position held by the released employee if he or she is a disabled veteran in Subgroup AD.

The position must also be the same position or essentially identical to a position held by the released employee in any Federal agency on a permanent basis.

An employee with a current annual performance rating of record of Minimally Successful (Level II) has retreat rights only to positions held by an employee with the same or a lower performance rating of record.

## Sample Retreat Right to a Different Competitive Level

This sample retention register is a competitive level for GS-560-11 full-time employees holding competitive service appointments.

Beatrice White (from the example in Section 18), who was released from the GS-343-12 competitive level by RIF, has the right to retreat to a position held by Charles Gabriel in the GS-560-11 competitive level. This is the best offer available to Beatrice White, who is qualified for the position. The agency then determines whether Charles Gabriel has a bump or retreat right to another position on a different retention register. No higher-standing employee has a right to this GS-560-11 position:

GS-560-11				
Group/Subgroup	Employee Name	SCD	RIF SCD	Action
I-AD	Malone, Michael M.	01-19-79	01-19-65	
I-B	Cook, Joseph G.	05-01-94	05-01-74	
	Gabriel, Charles N.	08-13-93	08-13-81	Displaced by White; lowest retention standing; released; separated

After Beatrice White retreats to the position held by Charles Gabriel, the retention register for the GS-560-11 positions looks like this:

GS-560-11				
Group/Subgroup	Employee Name	SCD	RIF SCD	
I-AD	Malone, Michael M.	01-19-79	01-19-65	
I-B	Cook, Joseph G.	05-01-94	05-01-74	
	White, Beatrice L.	08-22-95	08/22/79	

## Grade Intervals in Assignment Rights

The agency determines the grade limits of a released employee's assignment rights on the basis of the position the employee holds on the RIF effective date, regardless of how the employee progressed to the position.

For example, an employee released from a GS-11 position that progresses GS-5-7-9-11 has potential bump and retreat rights to available positions from GS-11 through GS-5. An employee released from a GS-9 position that progresses GS-5-6-7-8-9 has potential bump and retreat rights to available positions from GS-9 through GS-6.

The difference between successive grades in a one-grade occupation is a grade difference, and the difference between successive grades in a multi-grade occupation is a grade-interval difference.

## **Offers of Assignment to Vacant Positions**

An agency is not required to offer vacant positions in a reduction in force, but may choose to fill all, some, or none of the vacancies.

When an agency chooses to fill a vacancy with an employee reached for release from the competitive level by RIF, the agency must consider the relative retention standing of all the released employees. For example, the agency must offer a position to the released employee in the highest group and subgroup before offering a position to an employee in a lower group and subgroup. This is consistent with a bump offer to an occupied position.

The agency is not required to consider total service in offering positions to employees in the same group and subgroup unless the employee with the most service also formerly held the position on a permanent basis. This is consistent with a retreat offer of an occupied position.

The agency satisfies a released employee's right to RIF assignment rights if the agency offers the employee a vacant position at the grade to which the employee has bump or retreat rights.

An agency may choose to waive qualifications in offering an employee RIF assignment to a vacant position. However, the agency may not waive a minimum educational requirement. (An agency may never waive qualifications in offering assignment to an occupied position.)

An agency may make a RIF offer of a vacant position to a released employee only if the vacancy is in the same competitive area, and within three grades (or grade-intervals) of the employee's present position.

## **RIF Notices**

An agency must give an employee at least 60 days specific written notice before the employee is released from the competitive level by a RIF action.

If faced with an unforeseeable situation (e.g., a natural disaster), the agency may, with OPM approval, give the employee a specific RIF notice of less than 60 days, but at least 30 days, before the effective date of the RIF.

## **RIF Appeals and Grievances**

An employee who has been separated, downgraded, or furloughed for more than 30 days by RIF has the right to appeal the Merit Systems Protection Board (MSPB) if the employee believes that the agency did not properly

follow the RIF regulations. The released employee must file the appeal during the 30-day period beginning the day after the effective date of the RIF action.

An employee in a bargaining unit covered by a negotiated grievance procedure that does not exclude RIF must use the negotiated grievance procedure. The employee may not appeal the RIF action to the Board unless the employee alleges the action was based upon discrimination. The collective bargaining agreement covers the time limits for filing a grievance under a negotiated grievance procedure.

## **Additional Information from the Agency**

The agency's human resources office can provide both employees and managers with additional information on the RIF regulations. The office can also provide information on potential benefits, such as eligibility for:

1. Career transition assistance,
2. Separation incentives (if available),
3. Rehiring selection priority,
4. Severance pay,
5. Retirement,
6. Retraining,
7. Unemployment compensation, and
8. Relocation allowances.

# **REDUCTION IN FORCE DOWNGRADING OR SEPARATION BENEFITS**

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If you are affected by reduction in force (RIF), you may have many questions about how your employee benefits will be affected. The information presented in this guide is intended to provide an overview of these benefits and entitlements. The information is general in nature and cannot cover every situation. It may not be applicable to every Federal employee. If you need more specific information, please contact your servicing human resources office.

# Benefits for Downgraded Employees

## Grade and Pay Retention

- If you are placed in a lower-graded position through RIF procedures, you will be entitled to retain the higher grade for two years if you completed at least 52 consecutive weeks at the higher grade. Also, if you are downgraded after receiving a specific RIF notice and taking a lower-graded position offered by management, you will be eligible for grade retention on the same basis as an employee who was actually downgraded by a RIF action.
- Your retained grade is considered to be the grade you held prior to RIF downgrading for most benefits purposes (including pay and pay administration, retirement, life insurance, eligibility for training, noncompetitive promotions, and within-grade increases). However, your retained grade for this RIF cannot be used as your retained grade for future RIF competition. For example, a GS-12 employee who is downgraded because of a RIF to a GS-9 position is still considered to be a GS-12 for most pay-related purposes, but would compete as a GS-9 in a later RIF.
- After grade retention expires, you will be eligible for indefinite pay retention. If you are downgraded because of a RIF but don't meet the 52-week eligibility for grade retention, you will also be eligible for indefinite pay retention. If your former rate of basic pay fits in the pay range for the lower-graded position, you will be placed in the lower pay range without a reduction in pay and pay retention will cease. If your former rate of basic pay is greater than the maximum rate of the pay range for the new position, your former rate will be continued as a retained rate (not to exceed 150 percent of the maximum rate for the grade in which you have been placed). You will then receive 50 percent of any adjustments (e.g., annual salary increases) in the maximum rate for the lower (reduced) grade until that maximum rate equals or exceeds your higher (retained) rate. At that point, pay retention will cease.
- If you are on a temporary or term appointment at the time of a RIF, grade and pay retention will not apply.

## Repromotion Consideration

- If you are downgraded because of RIF, your agency's internal placement plans may allow you to receive priority consideration for promotion to positions up to your former grade level. The specific policies and procedures for such consideration are established by each agency.

Part 536 of Title 5, Code of Federal Regulations, contains more information on grade and pay retention.

# Benefits for Separated Employees

## Severance Pay

- If you are about to be separated from a permanent position involuntarily and through no fault of your own, you will likely be eligible for severance pay. To be eligible, you must not have refused an offer of a position that is (1) in the same commuting area, (2) in the same agency, and (3) no more than two grades

below your current grade level. In addition, you must have been employed for at least 12 continuous months, and cannot be eligible for an immediate annuity from a federal civilian retirement system or from the uniformed services. Also, you must not be receiving workers' compensation benefits for wage loss due to an on-the-job injury.

## **Computation of Severance Pay:**

- Only civilian service is creditable for severance pay. You will be entitled to 1 week's basic pay for each year of civilian service up through 10 years, plus 2 weeks' basic pay for each year of creditable service beyond 10 years. In addition, an age adjustment allowance of 2.5 percent is added for each full quarter of a year you are over 40 years of age. The maximum amount of severance pay is one year's salary (52 weeks). (This is a lifetime limitation. Thus, any severance pay you may have received in the past is taken into account when applying the limit.) Severance payments will be equal to your weekly pay at the time of separation and will be paid out at regular pay period intervals (usually biweekly) until the severance pay is exhausted. The only deductions made from severance pay are taxes, social security (if applicable), and Medicare.
- Severance pay estimation sheets are located at the end of this guide. The actual calculation formula is somewhat more complicated and technical. The samples are intended to help compute the approximate amount of severance pay you might receive. To receive an actual computation, please contact your servicing human resources office.
- If you are reemployed in a permanent position with the Federal government or the District of Columbia, severance payments will be stopped immediately. If you are reemployed in the Federal government on a temporary appointment after a break of more than 3 calendar days, severance pay will be temporarily suspended. When your temporary appointment ends, the agency will restart the unexpired portion of your severance pay. If you accept a temporary appointment with the Federal government within 3 calendar days of separation and subsequently leave that temporary job on an involuntary basis (e.g., expiration of appointment), you are eligible for severance pay based on the separation from the temporary job. Severance pay would be recalculated based on your rate of pay when you separated from the temporary job. Employment in the private sector has no effect on your right to receive severance pay from the Federal government.

## **Unemployment Compensation**

- The Department of Labor administers the unemployment insurance program for Federal employees through State governments. States, including the District of Columbia, determine the eligibility for benefits and the amounts to be paid to unemployed individuals. The program provides a weekly income for a limited period of time. The laws of the State or jurisdiction determine the amount of benefits and length of time they will be received. If you were separated you should file a claim for benefits at your State Employment Service office or unemployment insurance claims office. These State offices also allow you to register for potential employment opportunities. You must present your social security card, official notice of separation or non-pay status (Standard Form 50), specific RIF notice letter, and unemployment insurance notice (Standard Form 8). For more information, visit the Department of Labor's website.

## **Unused Annual Leave**

- All civilian employees covered by annual leave laws are entitled to receive a lump sum payment for accrued annual leave when separated from the Federal Government.
- If you are close to retirement age, you may be able to use annual leave to qualify for retirement benefits in some cases. See the retirement section later in this guide for more information.

## **Unused Sick Leave**

- You will not be paid for unused sick leave. However, if you are separated from the Federal Government you are entitled to have your sick leave restored to your sick leave account if you are reemployed in the Federal Government. Also, unused sick leave will be added to your total service if you are eligible for an annuity under the Civil Service Retirement System (CSRS). Beginning October 28, 2009, if you are a Federal Employees Retirement System (FERS) employee eligible for an annuity, 50 percent of your unused sick leave will be added to your total service if you separate on or before December 31, 2013. After December 31, 2013, 100 percent of your unused sick leave will be added. FERS employees were not entitled to credit their unused sick leave to their total service before October 28, 2009.

## **Federal Employees Health Benefits Program (FEHBP)**

### **Separated Employees Only:**

- If you have been receiving health insurance but are not eligible for an immediate annuity, you can continue health insurance free for 31 days after separation. You can then elect to continue receiving benefits under FEHBP. However, continued coverage is not automatic. You must request it in writing within 60 days of separation (or within 60 days of receiving a notice from the agency that FEHB coverage is terminating). You must pay your share, the government's cost, and an additional 2 percent administrative fee. This totals 102 percent of the cost. This temporary extension of coverage can last for 18 months only. Your dependents can carry this coverage for up to 36 months. You can also convert to a private plan.
- If you are a Department of Defense employee who will be separated due to RIF, you can continue enrollment for 18 months following separation. During this time the enrollee pays both the employee and agency shares and any additional administrative costs.

## **Federal Employees Group Life Insurance (FEGLI) Program**

### **Separated Employees Only:**

- If you are separated, you will be covered by FEGLI without cost to you for 31 days. If you are separated and not eligible for an immediate annuity, you can convert all or part of the life insurance to an individual

policy without taking a medical examination. You can purchase the individual policy from any eligible insurance company. This will be a private transaction between you and the company. You will pay the entire premium of the conversion policy, and the conversion must be made within 31 days after the effective date of the separation.

## Thrift Savings Plan (TSP)

### Withdrawing Money:

- When you separate from Federal service for more than 31 days, you can choose to leave your money in your TSP account or you can withdraw the vested TSP account balance. If the account balance is under a certain amount (currently \$3500 or less), the TSP Service Office will notify you and you will be paid the account balance in a single payment unless you request that it remain there or you select another withdrawal option.
  - For accounts over \$3500, there are several options:
    - Leave the money in the TSP.
    - Transfer it entirely to an Individual Retirement Account (IRA) or other eligible retirement plan.
    - Purchase a life annuity immediately or at a later date.
    - Receive a single payment immediately or at a later date.
    - Receive a single payment and ask the TSP to transfer a portion of it to an IRA or other retirement plan.
    - Receive a series of equal monthly payments beginning immediately or at a later date.
    - Receive a series of equal monthly payments and ask the TSP to transfer each payment (or a portion of it) to an IRA or other eligible retirement plan if the series of payments is expected to last less than 10 years and is not based on your life expectancy.
- You will be taxed for any funds paid directly to you from TSP. If you separate before the year you reach age 55, you will be charged a 10 percent penalty for early TSP withdrawal. The booklet, "Withdrawing Your TSP Account After Leaving Federal Service," dated February 1998, outlines these options in detail. The TSP website provides the appropriate forms to exercise the withdrawal option.

## Retirement Benefits

Most Federal employees who were first hired before January 1, 1984, are covered by CSRS. Most employees first hired on or after January 1, 1984, are automatically covered by FERS.

### Refunds

- If you separate from Federal employment before completing a minimum of 5 years of creditable civilian service, you will not be eligible to receive optional or deferred annuity benefits under CSRS or FERS. If you receive a refund of retirement deductions under CSRS or FERS, you can, after reemployment with the Federal government, repay the refunded amount plus interest so that the period of service covered by the refund can be included in the computation of annuity benefits. You do not have to take a refund of your

CSRS or FERS retirement contribution if you are separated from Federal service. Employees are paid interest on their FERS accounts, but they receive no interest on CSRS accounts that are more than 5 years old. You have already paid taxes on the retirement deductions that have been deducted from your paycheck. You must also pay taxes on the interest earned on the money in your retirement account.

## **Deferred Annuity**

- If you separate from the Federal service after completing at least 5 years of creditable civilian service, but before becoming eligible for an immediate annuity, you will be entitled to a deferred annuity at age 62 under either CSRS or FERS. If you are under FERS, you may be eligible for a deferred annuity before age 62 under certain conditions. If you are eligible for a deferred annuity, you can receive a refund of your retirement deductions in lieu of the annuity, provided that you are more than 31 days away from qualifying for an annuity when filing for the refund.

## **Using Annual Leave to Reach Eligibility**

- If you are scheduled to be separated by RIF, you can use your accumulated annual leave to remain on your agency's rolls past the RIF effective date if doing so would allow you to reach your first retirement eligibility date or FEHB carryover eligibility. You must have enough annual leave to cover the period from the RIF effective date to the first date you meet the minimum age and service criteria for CSRS or FERS retirement (as applicable). You must meet the other eligibility requirements for optional or discontinued service retirement as described below.
- The accumulated annual leave balance generally includes all annual leave in your account as of the RIF effective date, plus the annual leave earned while you are on leave between the RIF effective date and your first retirement eligibility date. If you wish to exercise this option, you should check with your human resources office for the necessary procedures.

## **Immediate Annuity (CSRS)**

- If you have been serving under CSRS for at least 1 of the last 2 years before your separation, you will be eligible for an immediate annuity if you meet the following minimum age and service requirements:

## **Optional Retirement:**

- Age 62 and 5 years creditable civilian service.
- Age 60 and 20 years total creditable service.
- Age 55 and 30 years total creditable service.

## **Discontinued Service retirement:**

- Age 50 and 20 years total creditable service.
- Any age and 25 years total creditable service.
- If you are under CSRS and you retire before age 55, your annuity will be reduced by 2 percent for each year you are under age 55 (1/6 of one percent for each month below age 55).

# **Additional Discontinued Service Retirement Requirements:**

Whether you are under CSRS or FERS, you will be eligible for discontinued service retirement if:

- You are reached for an involuntary action (such as job abolishment or reassignment to a position in a different commuting area).
- You have not received an offer of another position at or within two grades below your present position in the same local commuting area.

## **Immediate Annuity (FERS)**

- If you are under FERS, you will be eligible for an immediate annuity if you meet the following minimum age and service requirements:

## **Optional Retirement:**

- Age 62 and 5 years creditable civilian service.
- Age 60 and 20 years total creditable service.
- Minimum retirement age and 10 years total creditable service.
- If you are a FERS employee who was born before 1948, the minimum retirement age is 55. It gradually increases from 55 to 57 if you were born between 1948 and 1970. Also, your FERS annuity will be reduced by 5 percent for each year you are under age 62. You can avoid the age reduction entirely by choosing as the commencing date of your annuity either:
  - a date that is less than 1 full month before you reach age 62 if you have less than 20 years of service; or
  - the first day of any month after you have reached age 60, if you have at least 20 years of service.

## **Discontinued Service Retirement:**

- Age 50 and 20 years total creditable service.
- Any age and 25 years total creditable service.

If you are under FERS and retire on a discontinued service annuity under the age of 55, your annuity will not be reduced. If you have transferred to FERS and have service under CSRS, the CSRS portion of your annuity will be reduced by 2 percent per year if you are under age 55.

# **Reemployment and Retraining Programs**

## **Reemployment Programs—**

## **Agency Career Transition Assistance Plans (CTAP)**

- Agencies are required to provide assistance to help their surplus and displaced employees find new employment. Each agency will provide:
  - services to help their employees find new employment, either in the public or private sector, and
  - selection priority for competitive service vacancies within the agency.
- Agencies have developed Career Transition Assistance Plans with specific policies describing the assistance available to their employees. Questions regarding an agency's CTAP should be referred to the agency's human resources office.

## **Priority Placement Program (PPP)**

- The Priority Placement Program (PPP), also called the "Department of Defense Stopper List", is a program run solely by the Department of Defense (DoD) for its employees. It is the equivalent of a non-Defense agency's Career Transition Assistance Plan. Questions regarding the PPP should be referred to the nearest DoD human resources office or the DOD Civilian Assistance in Re-Employment (CARE) Office at (703) 696-1799.

## **Reemployment Priority List (RPL)**

- The RPL prevents employees from outside the agency from being employed ahead of agency employees who will be or have been separated by RIF. It provides separated employees with the first opportunity for positions within their former agency. Agencies must have a separate RPL for each commuting area from which eligible employees have been separated by RIF.

## **Eligibility:**

- You are eligible to apply for the RPL if:
  - You are serving under an appointment in the competitive service in tenure group I or II at the time of RIF separation;
  - You have not refused an offer of assignment to a position at the same grade or representative rate during RIF; and
  - You have a current rating of record of at least minimally successful.

## **Consideration:**

- You are entitled to be considered for positions for which you are available, providing all of the following conditions are met:
- You meet the qualification requirements for the position;
- The position is at no higher grade (or equivalent) and has no greater promotion potential than the position from which you were separated;
- The position has the same type of work schedule as the position from which you were separated; and
- The position is in the same commuting area as the position from which you were separated.

## **Duration:**

- You can remain on the RPL for 2 years.

## **How to Apply:**

- You can apply through your servicing human resources office beginning when you receive either a Certificate of Expected Separation or a RIF separation notice through the effective date of RIF separation.

## **Interagency Career Transition Assistance Plan (ICTAP)**

- The Interagency Career Transition Assistance Plan (ICTAP) is designed to help Federal employees who have lost their jobs due to downsizing find positions in other Federal agencies.

## **How the ICTAP Works:**

- When an agency is willing to go outside the agency to hire candidates, it must advertise its vacancies on OPM's automated government-wide employment information system, USAJOBS.
- USAJOBS provides easily accessible worldwide Federal employment information, updated every business day from a database of more than 12,000 worldwide job opportunities. USAJOBS is available to job seekers in a variety of formats (including computer or telephone), ensuring access for customers with differing physical and technological capabilities. It is convenient, user friendly, and available 24 hours a day, seven days a week.
- USAJOBS is available through:
  - Internet—You can find employment information at the USAJOBS website.
  - On the website, you can retrieve current job vacancies worldwide, find employment information fact sheets, obtain applications and forms, and apply for many jobs online. The USAJOBS website also has an Online Resume Builder feature you can use to create online resumes specifically designed for Federal jobs. You can print your USAJOBS resume and fax or mail it to employers, and save and edit it for future use. For many vacancies listed on the site, you can submit your USAJOBS resume directly to hiring agencies electronically.
  - When you see a vacancy for which you are qualified, you should develop the application package to show how you meet the specific qualification requirements of the position. Next, you should attach appropriate proof of eligibility for ICTAP, and apply directly to the location stated on the vacancy announcement. You must meet all the requirements stated on the vacancy announcement (e.g., closing date, area of consideration, etc.).
  - The agency will review your application material. If you meet all of the qualification requirements of a position that is in the local commuting area from which you were separated, and you are considered to be well-qualified for the job, the agency is required to select you over almost any other candidate(s) from outside the agency.
  - Questions regarding specific vacancies and well-qualified requirements can be addressed to the agency conducting the recruitment.

**USACAREERS**

# ICTAP Eligibility Requirements

- You are eligible if you are:
- a current career or career-conditional competitive service employee at GS-15 or below in tenure group 1 or 2 and you have received a specific RIF separation notice or a notice of proposed removal because you declined a transfer of function or directed reassignment outside your commuting area.
- a former career or career-conditional competitive service employee at GS-15 or below in tenure group 1 or 2 and you:
  - were separated by RIF.
  - declined Directed Reassignment/Transfer of Function: You have been or are being separated because you declined a transfer of function or directed reassignment outside your commuting area.

## Length of ICTAP Eligibility

- You will be eligible for special selection priority in other agencies for 1 year after your separation date if you:
  - were separated by RIF.
  - declined directed reassignment/transfer of function.

## Proof of Eligibility

- You must attach the following proof of eligibility in order to exercise selection priority when applying for positions:
  - separated by RIF:
    - a copy of the Standard Form 50 (Notification of Personnel Action) showing that you were separated by RIF, or
    - a copy of the RIF separation notice.
  - declined directed reassignment/transfer of function:
    - a copy of the Standard Form 50 indicating that you were separated because you declined a transfer of function or directed reassignment outside your local commuting area, or
    - a copy of the notice of proposed removal for declining a transfer of function or directed reassignment.

## Retraining Opportunities

- Many states offer excellent opportunities for displaced employees to take various types of training through government funding to help them qualify for jobs. This may include the opportunity to train for a new career field.
- For information on training or retraining opportunities, contact your local State employment services department and ask about training/retraining possibilities under the Workforce Investment Act of 1998. The U.S. Department of Labor administers a dislocated worker program to assist laid off workers who are unlikely to return to their previous industry or occupation. The dislocated worker program authorizes a wide range of services to help individuals obtain meaningful re-employment. These services may include assessments of skills and interests, job development, counseling, job search assistance, career exploration,

and occupational skills retraining, like computer training. States and local grantees decide on the particular mix and availability of services. The program is funded by U.S. Department of Labor, Employment & Training Administration.

## Severance Pay Estimation Worksheets

The following are samples for use in estimating the amount of severance pay. The actual calculation formula is somewhat more complicated and technical. The samples are intended to allow you to figure the approximate amount of severance pay you may receive. The computation presumes that you were a full-time employee and that you have not previously received severance pay based on an earlier involuntary separation. OPM is not responsible for the accuracy of the results that this worksheet may give you. IF YOU WANT AN ACCURATE CALCULATION, PLEASE CONTACT YOUR HUMAN RESOURCES OFFICE.

### Severance Pay Estimation Worksheet

line 1. Annual Rate of Basic Pay (at time of separation) = \_\_\_\_\_

line 2. Weekly Rate (divide line 1 by 2087 and then multiply result by 40) = \_\_\_\_\_

(Note: This weekly rate can also be derived by dividing the annual rate by 52.175.)

line 3. Years of Service (see A and B below)

A. If your length of service is LESS THAN 10 years, enter your length of service on line 3a.

B. If your length of service is MORE THAN 10 years:

(1) enter your length of service: \_\_\_\_\_

(2) subtract 10 from your length of service:  $-10 =$  \_\_\_\_\_

(3) multiply the result by 2:  $\square 2 =$  \_\_\_\_\_

(4) add 10 to the amount listed in 3):  $+10$

(5) enter this total on line 3a. \_\_\_\_\_

line 3a. Adjusted Years of Service = \_\_\_\_\_

line 4. Basic Severance Pay (multiply amount on line 2 by the number on line 3a) = \_\_\_\_\_

line 5. Age Adjustment Factor (if your age is above 40, look your age up on the "AGE TABLE AND FACTORS" chart attached. Enter the "factor" number shown.)

Age = \_\_\_\_\_ years and \_\_\_\_\_ months. Factor = \_\_\_\_\_

line 6. Adjusted Severance Pay (multiply the amount in line 4 by the line 5 factor) = \_\_\_\_\_

line 7. Multiply the amount in line 2 by 52 weeks. = \_\_\_\_\_

This is the maximum amount of severance pay payable under the 1-year (52 weeks) limit.

line 8. If line 6 exceeds line 7, enter amount on line 7. Otherwise enter the line 6 amount. =

\_\_\_\_\_

This is the estimated amount of your total severance pay fund.

line 9. Multiply the amount in line 2 by 2. = \_\_\_\_\_

This is the estimated amount of your biweekly severance payment (before deductions).

line 10. Divide the amount in line 8 by the amount in line 9 and multiply the result by 2. = \_\_\_\_\_

This is the approximate number of weeks of severance payments you will receive (assuming you are not reemployed by the government).

### **Severance Pay Estimation Worksheet**

line 1. Annual Rate of Basic Pay (at time of separation) = \$ 73,619

line 2. Weekly Rate (line 1 divided 2087 and then multiplied by 40) = \$1,411

(Note: This weekly rate can also be derived by dividing the annual rate by 52.175.)

line 3. Years of Service (see A and B below)

A. If your length of service is LESS THAN 10 years, enter your length of service on line 3a.

B. If your length of service is MORE THAN 10 years:

(1) enter your length of service: 18

(2) subtract 10 from your length of service:  $-10 = 8$

(3) multiply the result by 2:  $8 \times 2 = 16$

(4) add 10 to the amount listed in 3):  $+10$

(5) enter this total on line 3a. 26

line 3a. Adjusted Years of Service = 26

line 4. Basic Severance Pay (multiply amount on line 2 by the number on line 3a) = \$ 36,686

line 5. Age Adjustment Factor (if your age is above 40, look your age up on the "AGE TABLE AND FACTORS" chart attached. Enter the "factor" number shown.)

Age = 52 years and 0 months. Factor = 2.2

line 6. Adjusted Severance Pay (multiply the amount in line 4 by the line 5 factor) = \$ 80,709.20

line 7. Multiply the amount in line 2 by 52. = \$73,372

This is the maximum amount of severance pay payable under the 1-year (52 weeks) limit.

line 8. If line 6 exceeds line 7, enter amount on line 7. Otherwise enter the line 6 amount. = \$73,372

This is the estimated amount of your total severance pay fund.

line 9. Multiply the amount in line 2 by 2. = \$ 2,822

This is the estimated amount of your biweekly severance payment (before deductions).

line 10. Divide the amount in line 8 by the amount in line 9 and multiply the result by 2. = 52 weeks

This is the approximate number of weeks of severance payments you will receive

(assuming you are not reemployed by the government).

Severance

<b>Years</b>	<b>Months</b>	<b>Factor</b>	<b>Years</b>	<b>Months</b>	<b>Factor</b>	<b>Years</b>	<b>Months</b>	<b>Factor</b>
40	3-5	1.025	48	6-8	1.850	56	9-11	2.675
40	6-8	1.050	48	9-11	1.875	57	0-2	2.700
40	9-11	1.075	49	0-2	1.900	57	3-5	2.725
41	0-2	1.100	49	3-5	1.925	57	6-8	2.750
41	3-5	1.125	49	6-8	1.950	57	9-11	2.775
41	6-8	1.150	49	9-11	1.975	58	0-2	2.800
41	9-11	1.175	50	0-2	2.000	58	3-5	2.825
42	0-2	1.200	50	3-5	2.025	58	6-8	2.850
42	3-5	1.225	50	6-8	2.050	58	9-11	2.875
42	6-8	1.250	50	9-11	2.075	59	0-2	2.900
42	9-11	1.275	51	0-2	2.100	59	3-5	2.925
43	0-2	1.300	51	3-5	2.125	59	6-8	2.950
43	3-5	1.325	51	6-8	2.150	59	9-11	2.975
43	6-8	1.350	51	9-11	2.175	60	0-2	3.000
43	9-11	1.375	52	0-2	2.200	60	3-5	3.025
44	0-2	1.400	52	3-5	2.225	60	6-8	3.050
44	3-5	1.425	52	6-8	2.250	60	9-11	3.075
44	6-8	1.450	52	9-11	2.275	61	0-2	3.100
44	9-11	1.475	53	0-2	2.300	61	3-5	3.125
45	0-2	1.500	53	3-5	2.325	61	6-8	3.150
45	3-5	1.525	53	6-8	2.350	61	9-11	3.175
45	6-8	1.550	53	9-11	2.375	62	0-2	3.200
45	9-11	1.575	54	0-2	2.400	62	3-5	3.225
46	0-2	1.600	54	3-5	2.425	62	6-8	3.250
46	3-5	1.625	54	6-8	2.450	62	9-11	3.275
46	6-8	1.650	54	9-11	2.475	63	0-2	3.300
46	9-11	1.675	55	0-2	2.50	63	3-5	3.325
47	0-2	1.700	55	3-5	2.525	63	6-8	3.350
47	3-5	1.725	55	6-8	2.550	63	9-11	3.375
47	6-8	1.750	55	9-11	2.575	64	0-2	3.400
47	9-11	1.775	56	0-2	2.600	64	3-5	3.425
48	0-2	1.800	56	3-5	2.625	64	6-8	3.450
48	3-5	1.825	56	6-8	2.650	64	9-11	3.475

# LEARNING ABOUT TRANSFER OF FUNCTION

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The transfer of function regulations require that under certain conditions nontemporary employees have the right to move with their work to another organization if the alternative is separation or downgrading by reduction in force.

This summary covers the procedures in the transfer of function regulations. With this summary, employees, managers, employee representatives, and others will have an overview of both the agency's and employees' rights in a transfer of function or similar situation involving the transfer of positions from one organization to another.

The appropriate human resources office can provide additional information on specific questions relating to transfer of function policies, options, and entitlements.

## Legal Basis for Transfer of Function

The transfer of function regulations are derived from section 3503 of title 5, United States Code. The regulations published in subpart C, part 351 of title 5, Code of Federal Regulations, implement the statute.

## Transfer of Function Because of Organizational Change

A transfer of function takes place when a function ceases in one competitive area, and moves to one or more other competitive areas that do not perform the function at the time of transfer.

"**Competitive Area**" is a reduction in force term. The agency establishes each of its competitive areas on the basis of organization and geography. The "**Summary of OPM's Reduction in Force Regulations**" includes additional information on competitive area.

OPM's transfer of function regulations apply only when, after transfer, the gaining competitive area uses Federal employees to perform the function. For example, a transfer of function does not take place when after transfer the gaining competitive area performs the work through contract employees, a reimbursable agreement with a different competitive area, or by members of the Armed Forces. The movement of work solely within a competitive area is a reorganization, and is not a transfer of function.

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## **Transfer of Function Because the Competitive Area Relocates**

A transfer of function also takes place when the entire competitive area moves to a different local commuting area without any additional organizational change.

For example, a claims office in Baltimore, Maryland, is a stand-alone competitive area. A transfer of function takes place when the Baltimore claims office moves to Wilmington, Delaware (a different local commuting area), where the office continues as a separate stand-alone competitive area.

The "**Summary of OPM's Reduction in Force Regulations**" includes additional information on "**Local Commuting Area**." A local commuting area usually includes one population center in which employees live and reasonably travel back and forth to work. OPM's regulations do not define a mileage standard for local commuting area.

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## **Interagency Transfer of Function**

A transfer of function may be intra- or interagency. The transfer of function regulations use the same procedures for both types of transfers.

An interagency transfer of a function and/or personnel requires specific statutory authorization. Without a specific legislative basis, an agency has no authority to permanently transfer a function and/or personnel to another agency.

An intra-agency transfer of function does not require statutory authority.

## **Modifying Transfer of Function Rights**

Congress has the authority to exempt intra- and interagency transfers of function from the transfer of function provisions. Congress may also modify the rights of employees involved in intra- or interagency transfers of function.

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# Employee's Right to Transfer With a Function

An employee has no right to transfer with the function unless the alternative in the competitive area losing the function is separation or demotion by reduction in force.

An agency may always direct an employee's reassignment to another position (regardless of location) in lieu of transfer of function rights. The vacant position may be in the same or in a different classification series, line of work, and/or geographic location. The "Summary of Reassignment" includes additional information on reassignment.

## A Transfer of Function May Result in a RIF Action

If the transfer of function results in a surplus of employees in the gaining competitive area, before separation or demotion, with one exception covered in the next paragraph all employees who transfer with the function compete under the reduction in force regulations on equal terms with other employees in the gaining competitive area for available positions.

An employee whose position is transferred to the gaining competitive area for liquidation with a function that will not continue for more than 60 days does not compete under the reduction in force regulations for other positions in the gaining competitive area.

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## Transfer of Function Canvass Letters

When a transfer of function will result in employees moving to a different local commuting area, the losing competitive area may use a "**Transfer of Function Canvass Letter**" to determine which employees wish to be considered for positions in a different local commuting area. A transfer of function canvass letter does not guarantee an employee a position at the new location, but simply asks the employee to state an interest in transferring with the function.

The losing competitive area may use the canvass letter as the basis to separate an employee who declines to transfer with the function to a different local commuting area.

An employee who chooses not to transfer with the function has no right to be in reduction in force competition for other positions in the losing competitive area. However, at its option the losing competitive area may include the employee in a concurrent reduction in force.

An employee who initially chooses to transfer with the function may later reconsider and decline to transfer to the new location. However, an employee who declines to transfer with the function may not later change the original declination to an acceptance of the offer to transfer with the function to the new location.

An employee is generally eligible for relocation expense allowances for a transfer of function that requires relocation to a different local commuting area. The General Services Administration (GSA) publishes its Federal Travel Regulation (FTR) in 41 CFR subpart F. The complete FTR and other relocation-related information are available on GSA's website. See "Additional Information from the Agency" below.

# Adverse Action Separation for Declining a Geographic Transfer of Function

The losing competitive area must use adverse action procedures to separate an employee who chooses not to transfer with the function to a different geographic location unless the losing competitive area at its option includes the employee in a concurrent reduction in force. If the employee chooses not to transfer with the function, the losing competitive area may not separate the employee any sooner than it transfers employees who choose to transfer to the gaining competitive area.

After receiving a separation notice, the employee becomes eligible for most of the benefits available to an employee who receives a notice of reduction in force separation (e.g., potentially eligible for intra- and interagency hiring priority, severance pay, discontinued service retirement, etc.). See "Additional Information from the Agency" below.

An employee does not have the option of declining transfer to a position in the employee's present local commuting area.

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## Identifying Employees for Transfer

The losing competitive area identifies employees and positions for transfer with a function on the basis of each employee's official position. The regulations provide agencies with two procedures to identify employees for transfer with a function:

1. "**Identification Method One**"; and
2. "**Identification Method Two**."

## Identification Method One

Under Identification Method One, the losing competitive area identifies an employee with a transferring function if:

1. The employee performs the function during at least half of the employee's work time; or
  2. Regardless of the amount of time that the employee performs the function, the function includes the duties controlling the employee's grade or rate of pay (i.e., the grade controlling duties transferring with the function fully support the employee's grade or rate of pay).
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## Identification Method Two

The losing competitive area uses Identification Method Two only to identify positions and employees not covered by Identification Method One.

Under Identification Method Two, the losing competitive area identifies for transfer the number of employees it needs to perform the function.

To determine which employees are identified for transfer under Identification Method Two, the losing competitive area uses "**Retention Registers**" that list employees working on the function in the order of their respective reduction in force retention standing. The "Summary of OPM's Reduction in Force Regulations" includes additional information on retention registers.

Identification Method Two provides that the losing competitive area identifies employees with the lowest retention standing for transfer with the function. However, if this procedure would result in the employees' separation or demotion by reduction in force in the losing competitive area **of an employee with a higher retention standing**, the losing competitive area instead identifies employees with the highest retention standing for transfer.

## Volunteers for Transfer

At their option, the losing and the gaining competitive areas can agree that volunteers may transfer with the function, provided that no employee identified for transfer under Identification Methods One or Two is later separated or demoted solely because a volunteer transferred in place of a properly identified employee to the gaining competitive area.

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## Transfer of Function Appeals

An employee may not file an appeal to the Merit Systems Protection Board based solely on a transfer of function issue. However, an employee who is reached for separation or demotion because of a reduction in force or an adverse action after declining transfer may raise transfer of function as an issue in that appeal.

The released employee must file the appeal no later than 30 days after the effective date of the reduction in force or adverse action. In some situations, an employee may not have the right to file an appeal to the Board because the negotiated grievance procedures contained in relevant collective bargaining agreement are the exclusive procedures for resolving any action that could otherwise be appealed to the Board (with some exceptions covered in the Board's regulations). The collective bargaining provides the time period for filing a grievance under the negotiated grievance procedures.

## Realignment Actions That Are Not a Transfer of Function

An employee has no right to transfer with a function if, at the time of transfer, the gaining competitive area performs the same type of work as the function that is transferring from the losing competitive area. Also, an employee has no right to transfer if the function does not cease in the losing competitive area at the time of transfer. In these situations, the employee has a right to compete in a reduction in force in the losing competitive area if the agency does not offer the employee another position at the same grade. The offered

position may be in the same or in a different local commuting area. The agency must use adverse action procedures to separate an employee who declines relocation (e.g., by reassignment, change of duty station, realignment, etc.) to a different local commuting area.

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## **Additional Information from the Agency**

The agency's human resources office can provide both employees and managers with additional information on OPM's transfer of function regulations. The office can also provide information on potential benefits, such as eligibility for:

1. Career transition assistance
2. Separation incentives (if available)
3. Rehiring selection priority
4. Severance pay
5. Retirement
6. Retraining
7. Unemployment compensation
8. Relocation allowances