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U.S. OFFICE OF PERSONNEL MANAGEMENT

WORKFORCE RESTRUCTURING OFFICE

RESTRUCTURING INFORMATION HANDBOOK

MODULE 2, HUMAN RESOURCE RESPONSIBILITIES IN RESTRUCTURING (January 1999 version)

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UNIT B (GUIDANCE)

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MODULE 2 (HUMAN RESOURCE RESPONSIBILITIES IN RESTRUCTURING), UNIT B (GUIDANCE),
SECTION 1. OVERVIEW OF MODULE 2

1. Restructuring Information Handbook Module 2 assists agencies in applying management principles to restructuring situations.

o Module 2 consists of five Sections on restructuring topics that may be used separately or together, depending on the user's needs.

2. This is the December 1998 version of Restructuring Information Handbook Module 2.

3. Other available Restructuring Information Handbook Modules include:

o Module 1, "Restructuring Planning and Alternatives," Unit B ("Guidance")

o Module 3, "Reduction in Force," Units A ("Required Procedures") and Unit B ("Guidance")

o Module 4, "Transfer of Function," Units A ("Required Procedures") and Unit B ("Guidance")

o Module 6, "Reemployment Priority List," Units A ("Required Procedures") and Unit B ("Guidance")

o Module 7, "Career Transition Assistance Plan," Unit A ("Required Procedures")

o Module 8, "Interagency Career Transition Assistance Plan," Unit A ("Required Procedures")

MODULE 2 (HUMAN RESOURCE RESPONSIBILITIES IN RESTRUCTURING), UNIT B (GUIDANCE), SECTION 2. REDUCTION IN FORCE PLANNING

REDUCTION IN FORCE PLANNING: A PRACTICAL GUIDE

Reductions in force are a last resort in downsizing, used only after agencies have exhausted other, less drastic measures to reduce their workforce. OPM has produced this guide for use by agency personnel staff to help prepare for an actual reduction in force. This Planning Guide of practical suggestions should be used in conjunction with applicable rules and regulations, and other material available from OPM, such as the Restructuring Information Handbook Modules on subjects such as "Reduction in Force" (see Module 3) and "Transfer of Function" (see Module 4).

It is assumed that the user of this guide is a Personnel Management Specialist who has had, at a minimum, basic reduction in force training, or comparable experience and similar training or experience in reduction in force entitlements and benefits. It is imperative that the user be "up to speed" on current reduction in force rules and regulations. Practical experience or training in the same areas identified for the reduction in force team described in Step 1 of this guide is also highly desirable.

This Guide starts at the point where it is determined that a reduction in force is definite, or at least is likely. The assumption is made that all appropriate reduction in force avoidance strategies have been implemented; however, for reference, Section 5 of this Module (i.e., Module 2) provides a current update of key reduction in force avoidance options that have proven successful for many agencies.

NOTE- OPM's REIMBURSABLE RIF ASSISTANCE: OPM's downsizing experts can assist you in planning and implementing your reduction in force.

On-site assistance is generally done on a reimbursable basis and is available by contacting our Restructuring Services Program located in OPM's San Francisco Service Center at 415-281-7094. You may also e-mail restructuring@opm.gov for further information.

OPM can provide technical on-site consultation or can conduct any part, or all, of the reduction in force process for you. Our reimbursable on-site services include:

- o reduction in force planning
- o employee records clean-up
- o competitive level determinations
- o reduction in force briefings to managers, partnerships, employees, and human resources staff
- o conducting a mock and/or actual reduction in force
- o benefits determinations
- o developing and implementing a reduction in force notification process
- o reduction in force and benefits counseling
- o outplacement
- o post-reduction in force recovery and revitalization.

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Also, refer to:

- o Section 2-B-3: "REDUCTION IN FORCE PLANNING GUIDE CHECKLIST;"
and
- o Section 2-B-4: "REDUCTION IN FORCE SKILLS SURVEY."

1. ESTABLISH RIF TEAM - DETERMINE SUPPORT REQUIREMENTS AND PROCURE AS NECESSARY - ROLES AND RESPONSIBILITIES IN RIF

(a) COMPOSITION OF RIF TEAM

The size of the reduction in force team varies because of factors such as the amount of resources available for the reduction in force, the size of the reduction in force, the location(s) of the reduction in force, and the total lead time for the agency to conduct the reduction in force.

The team approach to reduction in force planning and execution is essential - it is simply too much for one or two individuals to handle. Also, the reduction in force process involves employees' substantive rights; employees may later challenge the agency's reduction in force decisions through an applicable appeals or grievance process.

The team approach provides additional opportunities for the agency's personnelists to double check decisions relating to the mechanics of the reduction in force process (e.g., review of competitive level decisions, retreat right determinations, offers of vacant positions, etc.). This continual review provides reassurance to both agency managers and the agency's employees that the agency is properly conducting the reduction in force.

It is best if you have a minimum of two people on the team who have actual reduction in force experience to check and double check each other, and to guide the rest of the team.

The team should not be so big that people are duplicating the same tasks.

Consistency is important, so keep that in mind when you are deciding on the number of team members - the more there are, the more difficult it will be to remain consistent.

If possible, the agency should designate an official team leader.

All members of the reduction in force team should be able to cope with stress and extreme pressure. It is very important for the agency to relieve team members from their regular duties to enable them to devote full attention to preparing and running the reduction in force. Ability to work overtime is usually necessary. Funding for overtime should be calculated into the costs of the reduction in force.

The reduction in force team should consist of personnel specialists who have both a classification and staffing background. Additionally, knowledge of the overall mission and function of the agency as well as positions affected by the reduction in force is essential. Knowledge of the qualification requirements of the affected positions is also critical. Previous experience or at least training in reduction in force mechanics is essential. Personnelists must be knowledgeable about current reduction in force regulations. The personnelists should have current software training if the agency uses an automated reduction in force system such as the Department of Defense's "AUTORIF" program. (Information on downloading "AUTORIF" from the Internet is found in paragraph (e) below.)

(b) ESSENTIAL RIF SUPPORT TEAM

o Staffing Assistants--

- Good with details and numbers.
- Know how to figure service computation dates, veterans' preference determinations, etc.
- Know how to access and download data from agency personnel data files.

o Clerical Support--

- Good with details.
- Photocopies notices, assembles reduction in force packets, etc.

o Benefits Specialist--

- Knowledgeable about retirement, health and life insurance, and the Thrift Savings Plan.

o Computer Specialist--

- Develops interface between agency personnel data and automated reduction in force program (especially for non-Defense agencies).
- Assists reduction in force team in manipulating reduction in force data and setting up computers to use automated reduction in force programs.

(c) SUPPORT EQUIPMENT AND FACILITIES

The agency should provide the reduction in force team with a secure, private room which is large enough to accommodate all team members.

Briefings from security should be considered for the purpose of advising the reduction in force team on how to handle upset employees or tense situations.

Due to the sensitive nature of the task at hand, the agency should restrict access to the reduction in force room. The agency should allow access only to members of the reduction in force team, and designated other individuals who have specific business with the team.

The agency should outfit the team's room with the appropriate number of desks, telephones, fax machines, computers, printers, supplies, copying machines, and e-mail capability, for all team members. Also, it is helpful if the telephones have voice mail or call forwarding capabilities so the reduction in force team may work uninterrupted during critical phases.

For example, depending upon the size of the reduction in force and the number of competitive areas, a minimum of two or three personal computers and two printers are recommended. One computer should be dedicated to the employee database file. The other computers should be equipped with the automated reduction in force software (make sure there is adequate memory space available). All computers should be password coded. It would also be helpful to have a modem attached to at least one computer in order to access OPM's website for current technical information. Ready access to a FAX machine should also be helpful, especially if dealing with employees at different work sites.

Locking file cabinets in the room are helpful - one to three depending again upon the size of the reduction in force.

Easy access to Official Personnel Folders, and OPM regulations, is essential.

A dedicated copy machine is desirable as well as a shredder or burn bags. Caution needs to be taken with disposing the trash.

Tables for stacking Official Personnel Folders, reduction in force notice packages, etc., are also essential.

A blackboard or flip chart is desirable for keeping track of decisions, to do lists, etc.

Office supplies, including a large supply of white paper, letterhead paper, and large and small envelopes, are needed. Three ring binders and dividers are useful for keeping retention registers and mock reduction in force actions.

A file folder on each employee is also recommended. Verification of reduction in force essential data, correspondence, copies of reduction in force letters, counseling records, etc., are recommended for inclusion in this temporary file.

(d) TRAINING FOR RIF TEAM

It is essential that all members of the reduction in force team have, at a minimum, completed a training course (either classroom or correspondence) in reduction in force mechanics. If the reduction in force team is anticipating counseling individuals or making eligibility determinations on reduction in force entitlements and benefits (e.g., grade and pay retention, severance pay, discontinued service retirement, optional retirement, voluntary early retirement, the FERS retirement MRA + 10 option, etc.), it is recommended they complete a two or three day training course which covers these topics or have previous experience in these areas. If the agency uses an automated program such as "AUTORIF," the agency should provide the team with training and/or hands on practice with the software. Training in stress reduction techniques can also be very valuable.

Individuals may also need to brush up on the following:

- Determining creditable service and calculating employees' service computation dates (SCDs).
- Determining veterans' preference eligibility under reduction in force regulations.
- Agency performance management system.
- Bargaining unit contracts.
- Appeals and grievance procedures.

- Relevant final decisions from the Merit Systems Protection Board and the Federal Labor Relations Authority, as well as other relevant decisions from Federal courts.
- Outplacement options (e.g., the [Career Transition Assistance Plan \(CTAP\)](#), the Interagency [Career Transition Assistance Plan \(ICTAP\)](#), the Reemployment Priority List (RPL), and other placement programs available to an agency's employees (e.g., the Department of Defense's Priority Placement Program (PPP) for displaced employees).
- Internal agency programs providing downgraded employees with repromotion priority for continuing vacant positions.
- Basic qualification requirements and physical qualification requirements for positions within the agency including selective placement factors.
- Familiarity with agency practice of processing individuals who need security clearances for certain positions.
- Agency's policy on "reasonable accommodation" for handicapped employees.
- Restoration rights for employees on military duty, and/or employees who recently returned from active duty.
- Classification changes due to new class standards, classification error, or job erosion, and historical information on classification of agency positions (needed for determining employees' retreat rights).

(e) "AUTORIF" COMPUTER PROGRAM

The "AUTORIF" personal computer program is available directly from the Department of Defense through the Internet. The address is: "www.afpc.af.mil/tab/c_sdc.htm#." Select the AUTORIF option, which will then instruct you on how to download the software. The option will also direct you to the AUTORIF users manual for downloading.

(f) ROLES AND RESPONSIBILITIES IN RIF

This is usually a good time to identify roles and responsibilities in the downsizing effort. An example of how roles and responsibilities were defined by one agency with very limited resources follows:

EXAMPLE: ROLES AND RESPONSIBILITIES IN RIF

A. RIF TEAM

- o Keeps management informed on issues/problems/status of the reduction in force.
- o Completes database/personnel records cleanup.
- o Runs the reduction in force.
- o Prepares letters for issue.
- o Trains supervisors on issuance of reduction in force letters.
- o Furnishes management with listing of reduction in force placements/separations.
- o Processes additional runs of the reduction in force.
- o Counsels employees on:
 - reduction in force mechanics.
 - Entitlements - retained grade and pay, severance pay, continuance of health and life insurance benefits, placement programs.
 - Effect of offers on benefits.
 - Applying for vacant positions in the agency under the Career Transition Assistance Plan, and applying for vacant positions in other agencies under the Interagency Career Transition Assistance Plan.
 - Registering for the Reemployment Priority List.
- o Holds Q and A sessions/briefings.
- o Evaluates process.
- o Prepares responses to Merit Systems Protection Board appeals, and/or grievances under an applicable collective bargaining agreement. (Also possibly testifies in an appeal or grievance concerning the agency's use of reduction in force procedures.)

B. PERSONNEL OFFICE

- o Coordinates information/requests from central office personnel
- Informs regional management/reduction in force team/transition team/etc.

- o Immediately processes corrections in retention data.
 - o Assists reduction in force team in preparation of reduction in force notices.
 - o Provides retirement counseling.
 - o Expedites processing of voluntary separations.
 - o Processes reduction in force actions (prepares SF-52).
 - o Develops plan for processing involuntary separations.
 - o Processes involuntary separations.
 - o Prepares severance pay calculations.
 - o Issues downsizing letters to employees including:
 - Information on reduction in force (questions and answers)
 - Information on career transition
 - Success stories - those who find jobs!
- C. MANAGEMENT
- o Communicates with employees - both affected and unaffected.
 - o Holds weekly meeting with staff to keep them informed.
 - o Sets cut-off dates:
 - Personnel actions
 - Acceptance of qualifications information
 - Acceptance of performance appraisals
 - o Identifies positions to be abolished.
 - o Notifies personnel and the reduction in force team of any changes in personnel status (e.g., voluntary resignations, voluntary retirements, transfers, etc.).
 - o Makes management discretionary decisions:
 - Use of vacancies
 - Waiver of qualifications
 - Temporary exceptions
 - Undue interruption issues, etc.

- o Delivers notices:
 - Develops plan
 - Writes script
 - Develops contingency plans for emergencies - medical and personnel
- o Supports transition programs:
 - Encourages use/makes time available for use
 - Helps RIFed employees network
- o Refers employees to proper source for assistance (e.g., reduction in force team/transition counselors/community resources/etc.)
- o Develops and implements a post-reduction in force recovery plan
 - Makes repeated efforts to enhance productivity and morale during post-reduction in force recovery
- o Evaluates processes/lessons learned

D. TRANSITION COUNSELORS

- o COORDINATOR:
 - Point of contact for communication to counselors
 - Develops training/implementation plan
 - Oversees training of counselors
 - Identifies policy issues, problems and needs to management
 - Facilitates communication of job leads
 - Briefs groups of employees - Q & A sessions
 - Evaluates program - develops criteria and exit interviews
- o COUNSELORS:
 - Communicate issues/concerns/needs to coordinator
 - Assist employees in working through stages of job loss
 - Career decisions:
 - Skills assessment
 - Interests/values assessment
 - Career transition:
 - Resume/SF-171/OF-612
 - Contact and search strategies
 - Networking
 - Interviewing techniques
 - Salary negotiations
 - Follow-up
 - Personal action plan

- Help counselor network - provide referrals/pass on job leads, etc.
- Facilitate job clubs if appropriate
- Referral source:
 - Employee assistance programs
 - Community services and resources
- Conduct exit interviews:
 - Feedback on career transition program/agency/etc.

E. EMPLOYEES WITH RIF NOTICES

- o Take charge of transition immediately!
- o Keep informed:
 - Attend meetings/telcons
 - Read newsletters
 - Ask questions
- o Keep family informed.
- o Take advantage of transition assistance programs (especially separatees).
- o Request reduction in force counseling and/or retirement counseling, as necessary.
- o Keep supervisor and personnel informed of any changes in personal status.

F. EMPLOYEES NOT AFFECTED

- o Keep informed:
 - Attend meetings/telcons
 - Read newsletters
 - Ask questions
- o Provide encouragement and support to RIFed co-workers:
 - Become a part of their network - pass on job leads/open doors/provide referrals.
- o Prepare for change:
 - New ways of doing business because there are fewer employees
- o Be a partner in change.

- o Immediately notify supervisor/personnel of any changes in personal status, decision to retire, acceptance of another job, etc. - This could save the job of a coworker!

2. DESIGNATE OUTPLACEMENT TEAM AND BEGIN DEVELOPING OUTPLACEMENT PROGRAM

Agencies should keep in mind that the outplacement program should be up and running by the time reduction in force notices are issued (preferably well before). A good outplacement program will be a positive influence on the work force during the notice period and is essential to post-reduction in force recovery.

As soon as it becomes apparent what effects the reduction in force will have on the agency, management needs to determine and disseminate its policies regarding employee use of official time and office equipment (faxes, computers, phones, etc.) for the purpose of finding other employment.

Agencies should be discouraged from having the same individuals plan and execute the reduction in force and develop and implement an outplacement program. There is simply not enough time in the day for the same individuals to do both functions.

3. IDENTIFY THE COMPETITIVE AREA(S) WHERE THE RIF WILL OCCUR

Identification of the competitive area is essential in order to prepare for the reduction in force because it will determine which positions and (potentially) which individuals will be involved in the reduction in force.

Changes in the competitive area 90 days or less before a reduction in force require OPM (central office) approval.

Advise agency management of things to think about when setting a competitive area:

- o Relocation costs.
- o Placement opportunities.
- o Amount of disruption.
- o Size of competitive area - a larger competitive area is more difficult to manage in a reduction in force.

- o Economic considerations - (i.e., more retained grade/pay possibilities with a larger competitive area - more separations and severance pay with a smaller competitive area).
- o Traffic patterns, congestion, and commute patterns.

Make sure that the agency documents the competitive area prior to running a reduction in force (preferably more than 90 days). Check agency administrative manuals and negotiated agreements to see if the competitive areas are already documented.

Discuss directed reassignments outside the competitive area with agency management prior to the reduction in force, if applicable.

If applicable, discuss the option of non-reduction in force offers outside of the competitive area for those identified for separation.

4. NOTIFY PARENT ORGANIZATION OF IMPENDING RIF ACTION AND OBTAIN APPROVAL, IF NECESSARY

Most agencies will have "parent organizations" that have provided specific instructions to follow in order to conduct a reduction in force. The reduction in force approval process and lead time to obtain approval varies from one agency to another and may also depend upon the size of the reduction in force.

It is important to be knowledgeable of your agency's approval process, including the amount of lead time required to obtain reduction in force approval, since failure to request this information early in the reduction in force process may cause a delay in issuing reduction in force notices.

5. ESTABLISH EFFECTIVE DATE OF RIF

The sooner the reduction in force effective date is established, the better it is for planning purposes. Once the effective date is established, the date the reduction in force notices are to be issued should be identified.

The bulk of the work in conducting a reduction in force occurs before the reduction in force notices are issued. The reduction in force team must be given adequate time to prepare for the reduction in force in order to insure proper execution. A single error in the execution of the reduction in force data has the potential to impact an entire organization.

6. DEVELOP A COMMUNICATION PLAN FOR DEALING WITH INFORMATION CONCERNING THE RIF

Timely, accurate, and complete communication is essential within the agency during times of change. An overall education and information delivery plan should be developed. Employees who understand the process and who feel that they are being given truthful, complete information will be more supportive of the change that is occurring in the organization. Rumors typically run wild during a reduction in force and frequently are much worse than the truth. Typically, productivity suffers during a reduction in force, but this can be lessened with open communication with the work force and the union. A good communication program can also speed up the recovery process after the reduction in force.

In developing a communication plan for a reduction in force, the following should be considered:

- o Method of communication:
 - Meetings:
 - All employees
 - Small groups
 - Brown bag sessions work units, etc.
 - Video presentations
 - Written memos/newsletters/newspaper/brochures/etc.
 - Electronic mail/bulletinboards
 - Internal TV or radio station telcons
 - Audience:
 - Management/supervisors
 - Employees
 - Unions/employee organizations
 - Families of employees
 - Local government officials and concerns
 - Other Federal agencies
 - Private sector:
 - General public
 - News media
 - Lawyers
 - Congressional offices
- o Purpose of communication:
 - Educate
 - Inform
 - Update
 - Persuade
 - Reassure

- o Timing the release of information

Communication, especially during times of stress, should be approached in a variety of ways. Written communication is good because it provides individuals something in black and white that they can refer to in the future. However, it is important from a management/leadership perspective that managers make themselves available to the work force, that they show support to employees, and that they respond to specific concerns directly to the employees. It is impossible to over communicate during or after a reduction in force.

(a) FORMS OF COMMUNICATION

Listed below are some forms of communication agencies have used effectively during downsizing:

- o Video presentations:
 - May be information videos from top management and sent to remote sites
 - Educational videos on the mechanics of RIF/entitlements/Q & A sessions, etc.
- o Town hall (all employees) meetings:
 - Advantages:
 - Everybody hears and sees the same thing
 - Management shows strength by meeting with large groups
 - Disadvantages:
 - Has the potential to erupt if emotions are running high
 - Not an option with large RIF numbers
 - May leave out remote sites
 - May seem impersonal if group is large
- o "In-House" Newspaper/Newsletter
 - Advantages:
 - Employees are already familiar with the newsletter and generally know when and where they can find it

- Disadvantages:

-- Space limitations and format may not lend itself to topic at hand. (May want to consider a supplement to the regular newsletter/paper which is dedicated to downsizing or develop a special newsletter which is independently published and distributed. Consideration may also be given to having this type of information mailed to the employee's home so family members are aware of what is occurring.)

o RIF Hotline

A dedicated telephone line (or fax or computer bulletin board) where individuals may have their questions answered.

o Downsizing Guru

One agency had a "RIF Public Relations Contact" whose primary responsibility was to research and answer technical questions for employees. The "PR Contact" often met with small groups of employees at "brown bag" sessions as well as in individual work units.

o Weekly Updates

Members of the Reduction in Force team and Outplacement team should be available on a regular basis for general questions and answers. At one agency, this was handled on a drop-in basis starting at the same time every week and lasted no more than an hour. This could also go "on the road" to different work sites.

o RIF Briefings

Educating employees on the mechanics of reduction in force and entitlements for those affected by reduction in force is really beneficial in reducing distrust with the "process" and with management. Videos, "formal training sessions", and brochures all can be used in this process.

Management (and Human Resource Specialists) have particularly difficult roles during a reduction in force because they are often being personally affected by the reduction in force and also have responsibilities to others who are affected by the reduction in force. Information/training dealing with the human aspects of reduction in force is especially helpful.

It is often helpful to have an outside source do these briefings even though technical expertise may already exist in-house. An outside party often is more credible to employees than agency staff, usually due to the feelings of distrust which frequently exist inside an agency during downsizing. Having an outside party (including OPM) reinforce/confirm what has already been told to employees by the agency's own staff will increase the confidence the employees have in the way the process is being handled.

(b) TIMING OF COMMUNICATIONS

It almost goes without saying that timing is critical with communications. Information leaks lead to misinterpretations which cause rumors and increased stress levels.

It is important for employees to feel like they are part of the "loop" when it comes to matters that directly affect them. Timing the release of information so all employees have immediate access can be very challenging when dealing with large numbers or multiple work sites.

It is also important to recognize that in order to communicate, the receiver must be ready to receive the communication. Agencies should be sensitive to this, especially to individuals who have just received a reduction in force notice. Some individuals need time to deal with the shock before they are ready to deal with issues they need to confront before they are separated (like continuation of health benefits). You want to be able to respond to the employees' questions as soon as possible, but without overwhelming the employees with information. Management should make sure they are reaching their audience when talking to employees about reduction in force information.

(c) EMPLOYEES' RESPONSIBILITY

It should be pointed out to employees that they, too, have communication responsibility during the reduction in force. The employees need to make the effort to keep themselves informed and they need to ask questions of the right people to get accurate answers. The more informed the employees are, the more confidence and less stress they will have in identifying and thinking through their options.

(Remember that communication is a two way street!)

7. NOTIFY UNIONS IN ACCORDANCE WITH LOCAL NEGOTIATED AGREEMENTS

With the emphasis on Partnerships in Government, unions play a key role in a reduction in force. If the agency's relations with its union(s) were strained before the reduction in force, chances are employee cutbacks will not improve the situation. In any case, the agency should strive for the best possible relationship with its union during a period of downsizing. This joint effort will both assist the employees directly affected by the reduction in force, and allow the agency to return to its principal mission after the reduction in force.

The agency should review all applicable collective bargaining agreements early in the planning process to determine what impact the agreement may have on reduction in force determinations, as well as the impact on union members.

The agency should inform local union officials of the impact to their bargaining unit, consistent with requirements in an applicable collective bargaining agreement. When possible, the agency should offer the union updated information on a regular basis. Failure of the agency to fulfill its notification and bargaining obligations may, in some situations, result in an order by the Federal Labor Relations Authority to cancel a planned (or completed) reduction in force action.

A major effort by the agency to assist affected employees through programs such as outplacement, counseling, benefit entitlements, etc., can meet some of the union's concerns and possibly raise their understanding of the situation.

The decision to conduct a reduction in force is a management right. Generally, the agency must bargain over the impact and implementation of its decision, such as its appropriate arrangements for employees who are adversely affected by the reduction in force. Examples of items related to reduction in force which agencies may find at the bargaining tables include:

- o Limiting when reduction in force procedures can be used (e.g., only after other cost cutting measures and attrition have been used to the maximum extent possible).
- o Use of vacancies at the same location, and/or in different locations, to place surplus employees.

- o Use of the Reemployment Priority List for filling vacancies after the reduction in force before using any other sources (e.g., when possible, recalling separated employees from the Reemployment Priority List before reassigning current employees of the agency to vacancies).

- o Waiver of qualifications for filling vacancies, both to avoid the reduction in force (including modification of qualifications to place an employee in a vacancy), or as a waiver to a vacant positions as a reduction in force assignment action.

- o Freezing outside hiring to fill vacancies with surplus employees even before the employees have priority for these positions under the Career Transition Assistance Plan.

- o Retraining surplus employees for placement in the same agency, or in a different agency.

Agencies may want to spend some time researching issues that are likely to arise with the union. Appeals decisions by the Merit Systems Protection Board (MSPB), the Federal Labor Relations Authority (FLRA), and the Federal Service Impasse Panel (FSIP) decisions can provide agencies with a great deal of insight into potential issues. Resources which provide these types of information include:

- o The websites of OPM, MSPB, and other organizations that adjudicate or track appellate decisions.

- o PERSONNET (contains U.S. Code, CFR, and decisions from FLRA, MSPB, and FSIP).

- o Federal Labor Relations Reporter (a publishing service which has full text of some decisions and summaries of all FLRA and FSIP decisions).

- o Federal Merit Systems Reporter (a publishing service which has full text and commentary of some decisions and summaries of all MSPB decisions).

- o Decisions of the FLRA (official publication with full text of decisions).

- o CEMPAR/WESTLAW (computer subscription research systems containing CFRs, and 5 U.S.C. decisions of FLRA, FSIP, MSPB and Federal courts).

8. CONTACT OTHER FEDERAL, STATE, AND LOCAL AGENCIES AND SOLICIT ASSISTANCE IN PLACING EMPLOYEES

The agency should initiate contact with these organizations in its efforts to outplace employees before actually issuing specific reduction in force notices.

If not, as soon as possible the agency conducting the reduction in force should establish contact (preferably at a high level) with other local Federal agencies which may be potential employers for the surplus employees.

Other agency contacts (such as those with local public sector non-federal entities including colleges and community colleges, and non-profit organizations) may also provide valuable assistance to the surplus employees.

State employment services often are willing to come on-site to brief employees on their employment services and unemployment insurance. Private industry councils often are a source of funding for training for displaced workers. Social service agencies may be able to offer workshops on finances, stress management and the like.

9. ACCOUNT FOR ALL EMPLOYEES AND POSITIONS IN THE COMPETITIVE AREA

It is never too early for the agency to begin documenting both its employees and positions in the competitive area(s) where the reduction in force will take place. This is necessary to ensure that no employee's assignment rights are violated and that reduction in force records are properly documented. Identifying all of the employees in an agency who are subject to reduction in force regulations is not as easy as it seems.

It will be necessary for most agencies to identify all employees on agency rolls with duty stations in the competitive area of the reduction in force. Care should be taken in what number agencies use in reconciling their count. The on-board count may omit a number of individuals in a non-pay status. The FTE count will not take into consideration part-time positions.

Once the agency identifies all employees in the competitive area, the agency then documents situations when an employee does not compete in the pool where the reduction in force competition will occur (e.g., a Department of Veterans Affairs physician who is employed under title 38 U.S.C., rather than under title 5, U.S.C., does not compete for positions under OPM's reduction in force regulations, a nonappropriated fund employee (NAF) is not covered by OPM's reduction in force regulations, and an employee who is presently on active military duty with restoration rights after the effective date of the reduction in force also does not compete in the reduction in force).

The agency must also document all employees with official positions of record in the competitive area who are performing a different position (e.g., an employee who is on a detail or temporary promotion from an official position of record in a different competitive level must be returned to that competitive level if any employees are reached for release by reduction in force).

When identifying employees in the competitive area, the agency should also document:

- o Employees who are receiving benefits based upon a job-related compensable injury, and who are still on the agency's rolls, who may require accommodation in the determination of the bump and retreat rights.

- o Employees who are (or have been) carried in a leave-without-pay (LWOP) status, and may require special attention in determining their respective service computation dates.

- o Employees who are carried on a detail to a different Federal agency, employees who are carried on a detail or temporary promotion within their present agency, or employees serving on Intergovernmental Personnel Act (IPA) assignments to a non-Federal organization such as a State government or a university; all of these employees compete in a reduction in force based on their official position of record rather than the position held on a detail, temporary promotion, or IPA assignment.

- o Employees who are currently serving on military active duty, and have restoration rights to the agency after the effective date of the reduction in force, are not included in reduction in force competition.

o Employees who have been restored to duty after military service, and have additional retention protection for 6 months or 1 year after their restoration, compete for retention at the top of their respective tenure group and subgroup. If the employee is still separated or downgraded, the agency may have an additional restoration obligation to place the released employee in an equivalent position during the period of restoration rights.

o Employees with a final decision of removal under authority of 5 CFR Part 430 because of poor performance, or under authority of 5 CFR Part 752 because of adverse action, are identified for separation and do not compete under the reduction in force regulations. (An employee who receives a final decision of demotion under authority of 5 CFR Part 430 because of poor performance competes in the reduction in force on the basis of the competitive level to which the employee will be demoted.)

In accounting for employees, the agency will also want to inventory, and hopefully locate, any missing official personnel folders. The folders are essential for the agency to determine employees' placement rights in the reduction in force. This can be time-consuming if the agency has not established accurate tracking procedures to control the official personnel folders.

A similar accounting process must occur for all positions in the competitive area. The number of positions in the competitive area includes both the number of occupied positions and the number of non-occupied positions.

Once the agency has identified all of the positions (by schedule and by service), management will need to decide which occupied positions are continuing and which vacant positions will be used as placement offers in the reduction in force. Obviously, the number of occupied continuing positions and vacant positions available for reduction in force offers should not exceed the FTE authorized for the organization.

10. REVIEW EMPLOYEE ASSIGNMENTS TO ENSURE POSITION DESCRIPTIONS ARE ACCURATE

If time allows, agencies may conduct a maintenance review of employees' official position descriptions. Management, with assistance from the reduction in force team, should review the qualifications, duties, and responsibilities of employees' official positions of record to make sure that these items are accurately described in the employees' position descriptions.

The agency should pay special attention to reviewing the qualification requirements of the positions and making certain that the qualifications are reflected in the employees' official position descriptions. The reduction in force team should remind management that they only should be looking at the duties and requirements of the position and not the qualifications or backgrounds of the incumbents when describing the qualification, duties, or responsibilities of a position.

However, without a long lead team prior to the reduction in force effective date, the agency normally should not make changes to employees' official position descriptions if the revisions may change the establishment of competitive levels or the determination of employees' assignment rights.

If the agency elects to conduct a review, again at its option, the agency may allow employees to participate in this review. Direct employee participation results in better documentation of the actual qualifications, duties, and responsibilities of the positions in the organization.

The benefits of employee participation may be positive, but not in every situation. For example, employee participation may help create feelings of trust during the reduction in force since the employees provided new information to the agency. However, employee participation in rewriting position descriptions can also have negative results, such as when the employees perceive that the agency used the new information to either target certain employees for actions, or to save other employees from the reduction in force.

11. REVIEW COMPETITIVE LEVELS FOR ACCURACY

Setting competitive levels is primarily a personnel office's responsibility. In setting competitive levels, the human resources (HR) specialist (preferably a classifier) will use the position description (which hopefully has been recently certified as accurate) as the primary source document.

Qualification standards and performance standards are also used in setting competitive levels to help assess interchangeability of positions. Caution should be exercised if consideration is being given to changing minimum qualification requirements of a position before a reduction in force. Changes are not recommended unless they can be fully justified.

12. REVIEW AND VERIFY ENTITLEMENT TO ELIGIBILITY FOR VETERANS' PREFERENCE IN RIF

The agency should review the records of all its 5 and 10 point veterans (including those with derivative preferences) to determine employees' eligibility for veterans' preference under the reduction in force regulations. Make certain that proper documentation exists for the granting of preference eligibility.

Review all veterans with 30% or more disability and have them obtain current certification from the Department of Veterans Affairs (VA) if their present certification is not permanent. (A VA rating of disability without a follow up date is permanent.)

Review all members of the Reserve Forces to determine if their status will change prior to the effective date of the reduction in force (reservist who retires at the rank of O-4 or above may lose preference eligibility for reduction in force competition upon reaching age 60).

Review all retired military, checking on the nature and conditions of their retirement when determining eligibility for preference under the reduction in force regulations.

13. REVIEW AND VERIFY SERVICE COMPUTATION DATES (SCDs)

This is a very time-consuming but essential step in reduction in force preparation. Some agencies may have access to an automated system which computes "Service Computation Dates" (SCD). However, input must be done by someone who is knowledgeable on creditable service issues. Documentation should be kept in the employee's Official Personnel Folder (OPF) which shows decisions made on creditable service. Appropriate documentation should be in the OPF when granting credit for military service. Any changes in SCDs should be double checked before being made.

The SCD for leave and the SCD used in reduction in force are not always the same. Likewise, the SCD used in severance pay is also slightly different. It makes sense to verify all of these SCDs at the same time. Encourage your agency to set up a new data element in their personnel data file for SCD-Severance Pay if they have not already done so.

Refer to subchapter 6 in the Guide to Processing Personnel Actions handbook for determining creditable service. You may also refer to 5 U.S.C. 6303 (leave) and 3501-02 (RIF).

The primary difference in these three forms of SCDs has to do with military service. Individuals without military service will normally have the same SCD in all three situations. The following table shows the differences in crediting military service:

CREDITABLE MILITARY SERVICE

	Leave	RIF	Severance
Not retired-military service under other than honorable or general discharge	No	Yes	No
Not retired-military service with honorable or general discharge	Yes	Yes	No
Retired military	Depends upon circumstances of retirement and dates of civilian employment		Depends upon rank and circumstances of retirement and dates of civilian service
Military service when restoration rights are exercised	Yes	Yes	Yes*

* Intervening military service between two periods of Federal civilian service is credited as civilian service when the employee exercises restoration rights from the Armed Forces.

Note: The reduction in force SCD with years subtracted for performance is used to determine retention standing.

14. IDENTIFY THE FOUR YEAR WINDOW TO BE USED IN CREDITING PERFORMANCE RATINGS IN RIF; VERIFY RATINGS THAT FALL WITHIN THE WINDOW; DETERMINE AMOUNT OF CREDIT TO BE GIVEN FOR RATINGS

(a) BASIC WINDOW TO CREDIT RATINGS

Employees receive additional service credit for retention based on the average of their three most recent ratings of record that were received during the 4-year window period prior to the date the agency issues specific reduction in force notices.

(b) CUTOFF DATE FOR PERFORMANCE RATINGS

The agency may also elect to use an earlier cutoff date for performance ratings. OPM's regulations require that the agency define the cutoff date on the basis of a specific number of days before the agency issues reduction in force notices. With a cutoff date, the 4-year window period begins on the date that the agency freezes ratings of record for purposes of reduction in force competition.

You should review the agency's performance management plan or (or other applicable reduction in force policy issuance) to see if the agency has established a cutoff date for performance ratings.

If the agency has not set a cutoff date, the agency should consider whether to establish a freeze date and, if implemented, document this policy for the record.

For example, many agencies freeze ratings 30 to 60 days before issuing reduction in force notices. This usually will allow enough time, especially if a rating cycle is ending, for the agency to close out the appraisals and put them on the record for use them in determining employees' additional service credit for the reduction in force.

Again, if the agency does not establish a cutoff date for performance appraisals, the default date is the day before the agency issues specific reduction in force notices. After the cutoff date, no new performance ratings will be put on record and used for reduction in force purposes.

(c) EFFECTIVE DATE OF RATING OF RECORD

You should also review the agency's performance management plan (or other applicable reduction in force policy issuance) to see if the available ratings are based on the ending date of the annual rating cycle rather than the date the rating of record was entered into the agency's records system.

For example, the agency's annual rating cycle for all employees ended on September 30, 1996. On November 15, 1996, one employee's rating was entered into the agency's system of records after all designated officials had signed the rating. On November 30, 1996, a different employee's rating was entered into the agency's system of records, again after all designated officials had signed the rating.

If the agency's ratings are based solely on the ending date of the annual rating cycle, the effective date of both ratings of record for purposes of the 4-year window period is September 30, 1996 (i.e., the rating cycle ended September 30, 1996).

If the agency's ratings are based on the date the rating of record was entered into the agency's records system, the effective date of one employee's rating for purposes of the 4-year window period is November 15, 1996, and the effective date of the second employee's rating is November 30, 1996 (i.e., the actual dates that the agency completed all processing of the employees' ratings).

(d) VERIFY RATINGS

Once the agency determines the applicable 4-year window period for crediting employees' performance ratings of record, the agency must then review all ratings of record that fall within the window. The agency must verify the three most recent ratings in the 4-year window period of each employee in the competitive area.

Some agencies may be able to download this information from their Personnel Data File, while other agencies will have to collect the information manually. The agency should document each rating of record, and the ending date for the applicable rating period. For handy reference, most agencies will then enter the ratings information into a separate database covering the entire 4-year period.

The agency should verify the following types of information relating to employees' performance ratings of record:

- o A hard copy of the ratings of record with all appropriate signatures in the employee performance file.
- o The date used to determine whether the ratings of record are within the 4-year window.
- o The summary level rating for each rating of record.
- o The rating pattern for each rating of record (i.e., a five-level system, a two-level pass/ fail system, a three-level system, etc.)

The agency should inform its employees that its available ratings of record will be used to determine employees' retention standing in the reduction in force.

The agency should also provide its employees with the opportunity to supply copies of any ratings of record that are missing from the agency's official records. The agency must then use the employee's copy of the missing rating(s) of record, provided that the agency determines that the employee's documents evidencing the missing ratings are bona fide.

In collecting the performance ratings of record, the agency should take special care in identifying the current rating of record for each employee. The employee's current rating of record has a direct impact on the employee's potential bump and retreat rights in the reduction in force.

Example: An employee who has a current Level 2 performance rating of record (i.e., "Minimally Successful" or equivalent) has the potential right to retreat only to a position held by an employee with a current Level 2 or Level 1 rating of record. The employee's potential bump rights are not affected by the current Level 2 rating of record.

An employee who has a current Level 1 performance rating of record (i.e., "Unsuccessful" or equivalent) has no potential bump or retreat rights. However, the employee still competes for positions in the competitive level in first round reduction in force competition unless the agency issues the employee a final decision of separation under authority of 5 CFR Part 430 because of poor performance, or under authority of 5 CFR Part 752 because of an adverse action.

Because a Level 1 performance rating of record may lead to an action eliminating an employee from all reduction in force competition, the agency must flag any individuals who have received a proposed removal, demotion or reassignment due to poor performance.

If the final decision letter is issued before the effective date of the reduction in force, the employee will compete from the individual's new position (if the action is reassignment or demotion), or will be removed from the reduction in force completely (if the agency separates the employee because of poor performance). As noted in the preceding paragraph, this provision also applies to an employee who has received a final decision of separation resulting from an adverse action.

Note: Applicable Level 1 ratings (i.e., a rating of record of "Unsuccessful" or equivalent) are always used to determine employees' retention standing, with one exception.

A Level 1 rating (i.e., an annual rating of "Unsuccessful" or equivalent) is deleted from an agency's records if:

- (1) the employee received a Level 1 rating;
 - (2) the agency proposed separating or demoting the employee because of poor performance under authority of Chapter 43 of title 5 U.S.C.;
 - (3) the agency never carried out the separation or demotion action; and
 - (4) the employee has performed no lower than Level 3 (i.e., "Fully Successful" or equivalent) for at least 1 year after receiving the Level 1 rating.
- (e) CALCULATE ADDITIONAL SERVICE CREDIT-BASIC VALUES

After the agency verifies employees' performance ratings of record, the agency then calculates the amount of additional service credit that employees receive for retention. The standard values are:

- o 20 additional years retention service credit for each Level 5 rating ("Outstanding" or equivalent);
- o 16 additional years retention service credit for each Level 4 rating ("Exceeds Fully Successful" or equivalent); and

o 12 additional years retention service credit for each Level 3 rating ("Fully Successful" or equivalent).

Employees do not receive any retention service credit for a Level 2 rating ("Minimally Successful" or equivalent), or for a Level 1 rating ("Unsuccessful" or equivalent)

The agency must use the standard values for ratings put on record before October 1, 1997. Paragraph (f) below covers agencies' flexibilities to provide different amounts of additional service credit for retention for certain ratings that were put on record effective on or after October 1, 1997.

(f) CALCULATE ADDITIONAL SERVICE CREDIT-MIXED RATING PATTERNS

When preparing to calculate additional service credit for retention, the agency must also determine if more than one rating pattern exists within the competitive area. A "Mixed Rating Pattern" exists when the competitive area includes more than one rating pattern, and the agency is using these ratings under different rating patterns to determine employees' retention standing.

Example 1: A competitive area includes employees with ratings of record under both Performance Pattern A (a two-level Pass/Fail system consisting of Levels 3 and 1), and Pattern H (a five-level system consisting of Levels 5, 4, 3, 2, and 1). The three most recent ratings of record of some employees includes Pattern A, and the three most recent ratings of record of other employees includes Pattern H. The ratings may have been given in the employees' present agency, or in a different agency.

In this example, the agency must decide whether to change the value of Level 3 or higher ratings (Level 3 is "Fully Successful" or equivalent) which were approved on or after October 1, 1997, when giving additional service credit for reduction in force. The potential range of additional retention service credit for Level 3 or higher ratings is still limited to the standard values covered in paragraph (e) above (i.e., a minimum of 12 years to a maximum of 20 years for each rating). Also, at its discretion, the agency may use different values in separate reductions in force, including different values in separate competitive areas.

Example 2: A competitive area includes employees with ratings put on record after September 30, 1997, under both Performance Pattern A (a two-level Pass/Fail system consisting of Levels 3 and 1), and Pattern H (a five-level system consisting of Levels 5, 4, 3, 2, and 1).

For one option in this example, the agency may elect to use the default standard values for additional service credit based on performance (covered in paragraph (e) above) so that an employee under the two-level system always receives a maximum of 12 additional years of service credit for the Level 3 rating, while the employee under the five-level system always receives 12 additional years of service credit for the Level 3 rating, 16 additional years of service credit for a Level 4 rating, and 20 additional years of service credit for a Level 5 rating.

For a second option in this example, the agency may instead elect to provide different values for additional service credit based on performance. The agency may decide that an employee under the two-level system receives the maximum 20 additional years of service credit for the Level 3 rating, while the employee under the five-level system still receives 12 additional years of service credit for the Level 3 rating, 16 additional years of service credit for a Level 4 rating, and 20 additional years of service credit for a Level 5 rating.

(g) CALCULATE ADDITIONAL SERVICE CREDIT-MODAL RATINGS

If there are employees in the competitive area with no ratings of record within the applicable 4-year window period, the agency must determine the "Modal Rating" in order to credit these employees with additional years of service credit for reduction in force competition.

The modal rating is based upon the employee's official position of record on the effective date of the reduction in force and the performance rating pattern associated with that position. In this case, the "Rating Pattern" refers only to ratings assigned by the agency in the most recent rating cycle used in the reduction in force.

The agency may establish the modal rating on the basis of the entire agency, the subagency, or the competitive area. Also, the agency must determine a modal rating for each rating pattern.

Example, a competitive area includes employees with ratings under Performance Pattern A (a two-level Pass/Fail system consisting of Levels 3 and 1), Pattern B (a three-level system consisting of Levels 5, 3, and 1), and Pattern H (a five-level system consisting of Levels 5, 4, 3, 2, and 1). An employee who has no ratings of record in the applicable 4-year period and whose current position is under Performance Pattern A receives additional retention service credit based solely on the modal rating for Pattern A.

15. COMPLETE REVIEW OF ALL EMPLOYEE RIF ESSENTIAL DATA

At this point, the agency should have carefully reviewed the following employee data:

- o Title, series, grade of the employee's official permanent position of record.
- o Position description number and competitive level to which assigned.
- o Reduction in force SCD date.
- o Veterans' preference eligibility for reduction in force competition.
- o Performance ratings of record within the applicable 4-year window period.

The following reduction in force essential data still requires review/determination:

- Work schedule
- Appointment authority for excepted service employees
- Tenure
- Adjusted Service Computation Date (SCD). This is the reduction in force SCD as adjusted by the average of the last three performance ratings of record. The information should be [entered on a database for input into the automated reduction in force program](#) or input into the database used in establishing retention registers, if not using an automated reduction in force program. The adjusted reduction in force SCD is calculated automatically when performance data is uploaded into an automated reduction in force program.

It is important to note that all employee reduction in force essential data should be projected to the effective date of the reduction in force. The retention standing of the employee is based upon the effective date of the reduction in force, not when the reduction in force notices are issued or when the data is reviewed.

Data which needs to be projected to the effective date of the reduction in force includes:

- o SCD (adjustment due to excessive LWOP/[intermittent work schedule](#), etc.)
- o Change in tenure (i.e., career conditional to career)
- o Change in service (i.e., A conversion from an excepted service Veterans Readjustment Act (VRA) appointment to a competitive service appointment).
- o Career ladder promotions (made before freezing of personnel actions).
- o Change in preference eligibility (i.e., reservist turns 60/ [military widow remarries](#)).
- o Any pay adjustments (e.g., within-grade-increases) that may affect benefits such as the amount of severance pay, or that may be reflected in documents such as the value of the employee's life insurance at the time of separation.

16. PROVIDE A DEFINITE TIME PERIOD FOR EMPLOYEES TO REVIEW AND UPDATE THEIR OPFs, [RESUMES/OF-612's/SF-171s](#), [PERFORMANCE RATINGS](#), AND OTHER ESSENTIAL RIF INFORMATION

Employees will have more confidence in the system if they know that data used in a reduction in force is accurate. It is imperative for agencies to do everything they can to ensure accuracy of the data.

It is highly recommended that the personnel office do everything it can to clean up and verify the accuracy of the data in "Official Personnel Folders" (OPF) before employees are asked to review this information.

If the records are in poor condition when the employees review it, they will become very skeptical as to whether personnel can do anything right - including running a reduction in force. If employees lack confidence in what "personnel is doing", a higher rate of appeals can be anticipated. Additionally, employees are likely to be more stressed and less productive during the waiting period prior to the reduction in force.

Many agencies send out an employee letter listing all of the reduction in force essential data they have on record for each employee. Employees are given an opportunity to review, question, and provide documentation as necessary for changes to the data. This data is best reviewed after employees have received training on the mechanics of reduction in force so they understand the data and fully realize its value and importance.

Many agencies encourage employees to review their OPFs so that employees know what information in the OPF is being used to determine their assignment rights. This may not always be practical with large numbers of employees or with employees at remote duty stations. Accommodations should be made for employees to review their OPF prior to the cutoff date for accepting qualification materials.

In some situations it may be easier (and more efficient) to take a group of OPFs to a work site and have all employees review at once while a member of personnel stands by to answer questions.

Employees should be encouraged to review/update their [resume/OF-612/SF-171](#) in their OPF. They should be informed that information in their OPF will be used to make their assignment rights determinations in the RIF and it is essential that they have a current, complete resume/SF-171 on file. All licenses/certifications/etc., should be documented in their OPF.

Agencies should inform their employees which appraisals in their performance files will be used in the reduction in force. Employees should also be given an opportunity to supply any missing appraisals. Note: Only the three most recent annual appraisals within the applicable 4-year window period are used in reduction in force computations.

The agency should establish a firm cutoff date for acceptance of OPF and reduction in force-related information. The agency should provide employees with this information as far as possible in advance of the reduction in force.

It may be less confusing to employees and easier for the personnel office to administer if the same cutoff date is used for accepting OPF and reduction in force-related information (i.e., performance appraisals, resumes/OF-612's/SF-171s, qualifications, etc.). That way, everything is due to personnel on the same date. Any materials submitted after the cutoff date should be date stamped and kept in a separate file or returned to the employee.

Agencies must hold firm on the cutoff date for receipt of missing performance appraisals and qualifications information. Any other information which affects an employee's retention standing (e.g., veterans' preference eligibility, a change in SCD, or a change in tenure not covered by a freeze on personnel actions) must be accepted right up until the effective date of the reduction in force.

17. DETERMINE ADMINISTRATIVE GUIDELINES/POLICY ON DISCRETIONARY ISSUES DEALING WITH RIF

(a) USE OF VACANCIES

Management has the right to decide whether some, all, or no vacancies will be used in the reduction in force. Employees do not have a right to vacancies in reduction in force competition unless the agency has voluntarily adopted a formal policy of using all vacant positions. To ensure fair and impartial treatment, it is best if management decides up front the policy on the use of vacancies in the reduction in force.

Management may also want to decide if the agency will offer vacancies in lieu of separation. This would apply to vacancies which remain unfilled after the reduction in force and which did not meet the definition of "available position" when determining assignment rights (i.e., an offer of a part-time position to a full time employee or offer a position below the three grade bump/retreat limit).

Management may also offer vacancies as an alternative offer for individuals who have been identified for a reassignment or change to lower grade. The "alternative" offer would have the same or lower representative rate than the position to which the employee is entitled. This is an offer in addition to the reduction in force offer which may allow the employee to remain at the same duty station or in the same line of work, but at a lower grade than the grade which they are entitled to under reduction in force procedures.

Management also must decide if it wants to offer vacancies of temporary positions in other competitive levels to individuals otherwise identified for separation. (Note: Employees have no assignment rights to occupied temporary positions in other competitive levels.)

(b) WAIVING QUALIFICATION REQUIREMENTS FOR VACANCIES

Waiving qualification requirements during a reduction in force applies only for placement into vacant positions. Waiving qualification requirements, if exercised, should be done with caution. Qualifications should only be waived when there is strong evidence that the individual can perform the duties of the position but lacks all of the qualification requirements. Positive education requirements cannot be waived. The agency should consider whether a decision to waive qualifications must be applied consistently to all vacancies.

(c) TIE-BREAKING PROCEDURES

Agencies should establish tie-breaking procedures in the event two employees have identical retention standing. If a decision has been made to use an automated system for running the reduction in force, a tie-breaking procedure (such as random number based upon the highest sum of employees' Social Security numbers) is usually already programmed into the system. Agencies will need to check the particulars of their reduction in force policy and their automated system.

For agencies which elect not to use an automated system, the agency must decide, and document how ties will be broken. Agencies may want to identify several ways to break ties and specify the order in which they will be used. Examples of potential tie breakers include:

- o Years of service at the agency.
- o Rating on last performance rating of record.

- o Length of time in present position or grade level.
- o Random number based upon last digit of social security number (the agency must decide whether to use the high or the low number).

(d) ASSIGNMENT RIGHTS FOR TENURE GROUP III AND EXCEPTED SERVICE EMPLOYEES

After release from their competitive level, tenure group III employees in the competitive service are subject to separation, unless the agency provides for bump in second round reduction in force competition. There is no authority for an agency to provide its group III employees with retreat rights.

All excepted service employees, regardless of tenure group, are also subject to separation after release from their competitive level unless the agency elects to provide for assignment rights in round two of reduction in force competition. At its option, the agency may provide its excepted service employees with both bumping and retreating rights.

Most agencies do not offer bump and retreat rights to either their released tenure group III employees, or to their released excepted service employees.

(e) TEMPORARY EMPLOYEES

Management has the option as to whether they will retain or release temporary employees while the agency is undergoing a reduction in force.

Temporary employees must be released before a competitive employee is released from the same competitive level. This does not mean that all temporary employees in all competitive levels must be terminated.

Competitive service temporaries are not covered by OPM's reduction in force regulations. However, certain excepted service temporary employees are covered by the reduction in force regulations and are competing employees.

Agencies often terminate temporaries prior to a reduction in force as a cost-savings measure and as a show of good faith to permanent employees that they are doing everything possible to avoid a reduction in force.

The decision to terminate temporaries should be based upon the circumstances of the reduction in force (i.e., budget) and the needs of the organization and not just a reflex reaction to having a reduction in force.

(f) REEMPLOYED ANNUITANTS

Reemployed annuitants serve at the will of the appointing officer and may be terminated at any time. At management's discretion, the reemployed annuitant may compete in the reduction in force or may be separated prior to the reduction in force.

Most agencies terminate reemployed annuitants rather than providing reemployed annuitants with reduction in force retention rights.

(g) "BUMPING" WITHIN SUBGROUP

This is another reduction in force "mechanic" option which is available to management. "Bumping" within a subgroup is similar to the retreat right, but does not require that the released employee previously held the position of the lower-standing employee. This option places maximum emphasis on total creditable service (i.e., seniority). However, the option also results in more displacement upon the organization conducting the reduction in force and, at this time, is seldom used by agencies.

(h) EXCEPTIONS TO THE REGULAR ORDER OF RELEASE

A released employee has the right to use annual leave in order to remain on the agency's rolls past the effective date of the reduction in force in order to obtain first eligibility for retirement, and/or to gain eligibility to carry health benefits into retirement.

An employee in a relocation situation (e.g., transfer of function, reassignment, realignment, change of duty station, etc.) has the same right to use annual leave past the effective date of separation by adverse action in order to obtain first eligibility for retirement, and/or to gain eligibility to carry health benefits into retirement.

Agencies should note that Section 653 of Public Law 105-277, which was approved on October 21, 1998, extended this option to members of the Senior Executive Service (SES).

The agency should decide if there are any situations which warrant a continuing or a temporary exception to the regular order of employees' release due to "undue interruption" of the agency's work. In order to provide for continuity of operations, the agency should consider the impact if a key competitive level, and/or essential employee, is reached for a reduction in force action. Neither a continuing exception (which lasts more than 90 days) nor a temporary exception (which lasts 90 days or less) allow an agency to avoid carrying out a reduction in force action. An exception simply provides the agency with the option of postponing the action until a later date because of workload considerations.

The agency should note that a higher-standing employee may appeal the agency's use of an exception to retain a lower-standing employee based upon undue interruption.

The agency should also decide whether to use a temporary exception to retain employees:

- o On approved sick leave (the usual 90 day limit does not apply).
- o In a pay and/or duty status in order to satisfy a Government obligation to the employee (the usual 90 day limit does not apply).
- o For up to 90 days when the temporary retention does not impact on a higher-standing employee (e.g., the use of an exception to retain an employee with a notice of separation by reduction in force for up to 90 days past the effective date of the reduction in force in a leave-without-pay-status in order to assist the employee in outplacement initiatives).

18. FREEZE ALL PERSONNEL ACTIONS WHICH IMPACT EMPLOYEES' RETENTION STANDING

At a minimum, the following personnel actions should be frozen:

- o New hires.
- o Permanent position changes (i.e., promotions, reassignments, etc.).
- o Work schedule changes.
- o Reclassification actions.

- o Conversion actions (i.e., temporary to career-conditional).

Personnel actions which do not affect an employee's retention standing (i.e., termination of temporary promotion, detail, separation, etc.) or those actions which do affect an employee's standing, but are mandated through regulation (i.e., conversion to career tenure, change in veterans' preference, etc.) should continue to be processed.

19. IDENTIFY POSITIONS TO BE ABOLISHED

As a first step in the process, management should identify both the positions to be abolished, and the positions that are included in the new or streamlined organization. These decisions are evidenced in "manning documents" (also called "personnel documents" or "staffing plans" in some agencies), which are the reference points for any eventual reduction in force actions. Also, these documents are essential in justifying the agency's actions if a separated or downgraded employee later files a reduction in force appeal or grievance and alleges that a job abolishment decision is not bona fide (e.g., a former employee alleges that a job abolishment decision is based on a nonorganizational reason such as reprisal or personal animosity rather than because of a reorganization).

This can be a difficult step for managers because people are now associated with the abolishments (e.g., a decision to contract out a data collection function will directly result in the abolishment of positions held by several of the manager's long-term employees). At this step, management should be reminded that, because reduction in force competition is based on four impartial retention factors, the employees who occupy the abolished positions are not necessarily the individuals who will actually be reached for separation or downgrading actions. It is nearly impossible to tell how these individuals will fare until the reduction in force is run.

It is recommended that positions be identified by title, series, grade, position number, organization, name of incumbent and social security number (if available to the manager). It is also recommended that the reduction in force team have written documentation on this from the managers to preclude any misunderstandings later on in the process.

20. OBTAIN COPIES OF PAY SCALES AND PREPARE REPRESENTATIVE RATE CHART

Representative rates are needed in order to determine assignment rights in conducting the reduction in force. The representative rates in effect on the effective date of the reduction in force are the appropriate ones to use.

If there are prevailing rate employees on different rate schedules within the same competitive area, you will need to determine if the automated reduction in force program you are using can accommodate more than one rate schedule for the same pay plan.

21. IDENTIFY LINES OF PROGRESSION FOR OCCUPATIONS IN THE COMPETITIVE AREA

Again, in order to determine assignment rights in round two of reduction in force competition, the agency must identify the normal line of progression for all occupations in the competitive area. Additional work is usually required for the agency to determine the normal line of progression for Federal Wage System (FWS) positions. The reduction in force team should identify the normal lines of progression for an occupation by series, grade, and pay system. The team will also later need to input this information into the "AUTORIF" program, if the agency uses this option.

Source documents for determining lines of progression include:

- o Introduction to Position Classification Standards.
- o Agency Staffing Plan.
- o Position Management Plan.
- o Organizational charts.
- o Merit Promotion Plan.

22. PREPARE RETENTION REGISTERS AND LISTING OF VACANCIES TO BE USED AS RIF PLACEMENT OFFERS

When preparing the retention registers, be sure to have some way to identify:

- o Individuals in temporary positions (placed below the competitive level).
- o Individuals on temporary assignments to continuing positions, (i.e., promotion NTE) (placed below the competitive level).

- o Individuals on temporary assignments to temporary positions.
- o Individuals with restoration rights based upon service in the Armed Forces, who during the period of restoration compete in reduction in force on the basis of higher retention standing than other employees in the same tenure group and subgroup.
- o Individuals with current performance ratings of Level 2 ("Minimally Successful" or equivalent) or Level 1 ("Unsuccessful" or equivalent).
- o Individuals who have received a final decision of removal under authority of 5 CFR Part 430 based upon Level I ("Unacceptable" or equivalent) performance, or under authority of 5 CFR Part 752 based upon an adverse action. (In both situations, the employees are placed below the competitive level and do not compete for retention under OPM's reduction in force regulations).

The list of vacancies to be used as reduction in force placement offers should be identified and input into the automated system (if one is used). In identifying the vacancies, the following information (at a minimum) should be included:

- o Position title, series, grade.
- o Position description number.
- o Competitive level.
- o Organization.
- o Duty station.
- o Temporary or permanent position.
- o Work schedule.

23. CONDUCT MOCK RIFS TO IDENTIFY RETENTION ERRORS AND PROVIDE OUTPLACEMENT BENEFITS

A mock reduction in force can be extremely valuable in identifying and correcting problems in the records used in the reduction in force before these problems impact the organization or the employees.

Often agencies use a mock reduction in force as a tool to help them assess the personnel costs of the reduction. Based upon the results of the mock reduction in force, agencies can calculate the costs and projected savings.

Items to include in calculating the costs of the reduction in force include severance pay, unemployment insurance, lump sum annual leave, relocation costs, retained grade and pay, and personnel costs including overtime expenditures in running the reduction in force.

Some automated reduction in force programs make it very easy to do many different scenarios while others will require more work on the part of the reduction in force team.

If the agency conducts a mock reduction in force, the agency must decide whether to share the results with the work force. For example, an employee identified for separation in a mock reduction in force could then be given priority for continuing vacant positions in the agency under the Career Transition Assistance Plan program.

Also, a mock reduction in force may serve as the basis for the agency issuing the employee a "Certification of Expected Separation" (CES) up to 6 months before the employee is likely to be actually separated from the agency. The CES allows the employee to receive priority for other positions in the agency by early registration on the agency's reemployment priority list. The CES also entitles the employee to outplacement assistance and, in some states, retraining benefits through the applicable state dislocated worker unit, as designated or created under title III of the Job Training Partnership Act.

If the agency shares the results of a mock reduction in force, the agency should advise employees that the assumptions used to conduct the mock reduction in force, as well as employee's relative retention standing, may change before an actual reduction in force takes place.

The agency should consider the advantages sharing the results of a mock reduction in force against the disadvantages of releasing the results. Things to consider include:

- o Need to motivate individuals to begin considering other options.
- o Amount of change likely before the "real" reduction in force is run (a mock reduction in force may needlessly upset some people or may give others a false sense of security).
- o Impact on productivity.

- o The readiness of the work force to deal with change.
- o The need to provide employees with as much information as early as possible.
- o The possibility that employees will perceive the mock reduction in force as an exercise for managers to target employees for separation.
- o The possibility that a later real reduction in force will result in different outcomes for some employee, because of factors such as the total number of positions that were abolished, employee attrition, successful career transition placements, etc.

Based upon the results of the mock reduction in force, the reduction in force team may begin making entitlement determinations for potentially affected employees (i.e., eligibility for discontinued service retirement, the FERS MRA + 10 option), severance pay, retained grade or retained pay). Doing these determinations now will save a lot of time down the road when you are trying to get the reduction in force letters prepared and issued.

24. CONDUCT ROUND ONE-IDENTIFY EMPLOYEES RELEASED FROM THEIR COMPETITIVE LEVEL

"Round One" of reduction in force competition identifies which employees are reached for release from their present position. ("Round Two" competition determines whether the released employee has bump or retreat rights to a position in a different competitive level.)

In order to conduct "Round One" competition, you will need the following:

- o All employees by competitive levels in retention standing order.
- o Identification of abolished positions.

After Round One is completed, the reduction in force team must determine whether employees released from the competitive level have assignment rights to other positions.

Some released employees do not have assignment rights in Round Two competition (e.g., excepted service employees, tenure group III employees, or employees with a current Level 1 annual performance rating of record ("Unsuccessful" or equivalent)). These released employees will be separated on the effective date of the reduction in force.

25. SEPARATE REEMPLOYED ANNUITANTS, TEMPORARY EMPLOYEES; RETURN STATUS EMPLOYEES ON DETAILS, TEMPORARY PROMOTIONS, ETC., TO THEIR PERMANENT POSITION OF RECORD AS NECESSARY

If a decision was made to separate reemployed annuitants rather than have them compete in the reduction in force, the separation should occur prior to the effective date of the reduction in force.

Based upon round one competition, before any competing employee is released from a competitive level, all noncompeting employees must be released from that same competitive level. This means if you release a competing employee in round one, all non-competing employees must be terminated (if temporary) or returned to their permanent position of record (if temporarily promoted or temporarily reassigned) before the effective date of the reduction in force.

26. DETERMINE QUALIFICATIONS OF AFFECTED EMPLOYEES

Once employees have been identified for release from their competitive level and if they have a higher retention standing, they may have assignment rights to other positions. In the process of determining whether the employee has rights to another position, qualifications for available positions must be determined. In newer automated programs (including "AUTORIF"), qualification determinations are made up front and input into the system. In a second type of program (such as the older "RIFRUNNER" program developed by the Department of the Army), individual qualification determinations are made as the employee is identified for placement (based upon overall seniority). Newer automated programs allow you to select either approach.

In a front loading program, qualification determinations need to be made for all possible placements within the competitive area. If using the second type of program, qualification determinations are fewer, but made at the time the employee comes up for placement consideration. Qualification determinations then would be limited to those positions occupied by individuals with lower retention standing.

Regardless which software is used (if any), it will save time if some information regarding qualifications is gathered prior to beginning Round Two. An employee worksheet which identifies positions held and any special qualifications will speed up the process when it is time to do a full qualifications assessment.

If several individuals are involved in determining qualifications, make certain that there is consistency in the way the qualification requirements are interpreted and applied. All facts used to determine qualifications should be documented and made part of the reduction in force files for possible reference in future appeals.

27. IDENTIFY EMPLOYEE ASSIGNMENT RIGHTS-ROUND TWO

If you are using an automated system, all available placement options will be identified. Care must be taken to eliminate those individuals who do not have assignment rights in Round Two.

Displaced individuals are considered for available positions in the order of their overall retention standing.

In conducting Round Two (as in conducting round one), complete documentation is essential. Automated systems do an excellent job of creating a "paper trail" and prompting the specialist to document when necessary.

The types of decisions you will want to document (in case the actions are later challenged) include:

- o Qualification determinations (including physical qualifications determinations).
- o Exceptions to the regular order of release (whether mandatory or discretionary - including "undue interruption").
- o Waiver (or lack of waiver) of qualifications.
- o Denial of retreat rights.

If an automated system is not being used, it is desirable to document or be in a position to identify all available positions which were considered but not offered with the reason for non-placement documented.

After Round Two is completed, agencies may be required to summarize the impact of the reduction in force on women, minority groups, and disabled employees. Some automated reduction in force programs readily produce this type of report. This information would then be available to any appropriate offices of the agency (e.g., the Equal Employment Opportunity Office).

28. COMPLETE NOTIFICATION REQUIREMENTS WHEN 50 OR MORE EMPLOYEES ARE IDENTIFIED FOR SEPARATION

- o Notification required when 50 or more in a commuting area are separated:

Department of Labor

- o Notification required when 50 or more in a competitive area are separated:

1. State Dislocated Worker Unit
2. Local Chief Governmental Official(s)
3. OPM

Notification should include, at a minimum:

1. Number of people identified for separation by geographic location.
2. Effective date of the separation.
3. Reason for separation.
4. Point of contact for additional information.

29. MAKE RIF ENTITLEMENT ELIGIBILITY DETERMINATIONS FOR AFFECTED EMPLOYEES

Employees may be entitled to the following:

- o Grade Retention.
- o Pay Retention.
- o Severance Pay.
- o Discontinued Service, Optional and MRA + 10 Retirement Options.

These entitlements need to be determined in advance so they can be included in the reduction in force notice which is given to each employee affected by the reduction in force (reassignments in the competitive level are not reduction in force actions.)

Most automated agency personnel data files can provide information to identify those employees who meet the age and service requirements for the various retirement options.

It is helpful to develop a worksheet which allows a specialist to quickly verify eligibility for grade and/or pay retention and severance pay eligibility and computation. This worksheet could be completed as soon as round one displacement occurs or after round two placements are made. (It could even be done after the mock reduction in force is run which should identify the majority of displacements which would occur.)

Some agencies have access to automated systems which calculate severance pay. Care should be taken, however, in making certain the individuals meet eligibility requirements for severance pay and that the proper amount of creditable service is used in the calculations. Remember to project service credit, age and pay (including WGI's or changes in locality pay, etc.) to the effective date of the reduction in force.

When possible, the agency should thoroughly test the automated software so that employees have confidence that the agency's estimates of severance pay are accurate.

30. PREPARE RIF NOTICES AND ASSOCIATED INFORMATIONAL MATERIALS

Development and preparation of reduction in force notices is anything but a simple matter. Agencies should exercise extreme caution when "copying" a reduction in force notice from another agency or when using an old reduction in force notice, as notice requirements have changed over the past few years. Also, it is important that agencies give serious thought concerning how much information they want to include in the notice and how much each notice should be tailored or personalized for the recipient.

While agencies want to be helpful and provide as much information as possible to those employees affected by reduction in force, they can also be doing themselves and the employees a disservice. The more information and variables which are added to letters, the greater the likelihood of error.

The more errors which occur, the less confidence the employees will have in the correctness of the process. The more doubts the employees have, the greater the likelihood of appeals and increased stress levels.

For ease and speed of printing, it is desirable to keep the non-standard pages of the reduction in force notice to a minimum. This would allow you to mass produce, in advance, all of the standard pages and simply interface them with the tailored pages. It is recommended that the actual specific notice be kept as brief as possible with attachments which provide more detailed information. Typical attachments to reduction in force letters include:

- o Offer Acceptance/Declination Form.
- o MSPB Appeal Form or Union Grievance Procedures.
- o Eligibility determinations (as appropriate) and information on employee entitlements and benefits:
 - Severance pay- including calculations
 - Retained pay/grade
 - Retirement options
 - Placement Programs (CTAP, RPL, ICTAP, repromotion program)
 - Refunds (annual leave, retirement contributions, TSP)
 - Health and life insurance benefits
 - Outplacement Assistance
 - Unemployment Insurance
 - [Authorization to release resume of employee](#)
 - [JTPA benefits](#)
- o Resource list (where to go to get your questions answered)

Preparation of reduction in force notices should begin during the early reduction in force planning stages because standard language will need to be developed and cleared with the agency's legal counsel.

31. DETERMINE THE PROCESS WHICH WILL BE USED FOR DELIVERING RIF NOTICES

Consideration should be given to the following:

- o Establishing a tracking system to ensure that all notices are prepared, delivered and documented accordingly, including:
 - Identifying who will deliver the notice (i.e., immediate supervisor, department manager, etc.).

- Training individuals who will be delivering the reduction in force notices.

- Assessing whether or not to have a "witness" present at delivery.

- Determining when the notices will be delivered (beginning of day, end of day, etc.).

- Determining where the notices will be delivered (private office, conference room, etc.).

- o Preparing a script to follow when notices are delivered, including:

- Determining what options the employee will have when he/she receives the notice (i.e., annual leave, administrative leave, etc.).

- Taking security precautions, as appropriate.

- Identifying crises intervention resources (i.e., Employee Assistance Program).

- Determining what to do when notices are not able to be delivered in person (i.e., certified mail, return receipt requested, manager mails, or return to personnel for mailing).

32. DELIVER RIF NOTICES AND OBTAIN EMPLOYEES' ACKNOWLEDGMENT

If dealing with a minimum notice period, the agency must have an efficient delivery plan in place. They will also need to be able to quickly account for all notices which were not delivered on the first attempt.

Notices which cannot be delivered in person may be faxed or mailed. In any event, it is in the agency's best interest to have documentation showing that the notice was received by the employee and the date it was received. If an employee refuses to sign for the notice at the work site, it is still considered "delivered" if someone witnesses the delivery of the notice and it is documented for the record.

If a notice is mailed to an employee, it should be sent either registered mail or return receipt requested. Agencies may also want to consider sending a second copy in regular mail should the employee elect to refuse (or ignore) delivery of those letters requiring signature acknowledgment.

By the time reduction in force notices are ready for delivery, all managers should be provided a list of all employees in their work unit who are affected (and how they are affected) by the reduction in force. This list should include any new employees who are being assigned into their work unit.

33. NOTIFY EXCLUSIVE BARGAINING UNIT REPRESENTATIVE(S) OF EACH AFFECTED EMPLOYEE; NOTIFY OPM CONCERNING DISPLACED EMPLOYEES

It is important that union notification occur in conjunction with delivery of the reduction in force notices. The relationship which the agency has with the union will determine whether this information is provided before, during, or immediately after reduction in force notices are handed out.

Agencies are required to notify OPM when they have handed out reduction in force separation notices. It is hoped that OPM will have been involved with the reduction in force process long before the stage of handing out reduction in force notices is reached.

In the past, OPM Service Center assistance was needed to register employees in OPM's central program for displaced employees. Beginning with the new Interagency Career Transition Assistance Plan in 1996 which empowers displaced employees to have priority when applying for vacant positions, agencies no longer are required to go through their OPM Service Center for registration. However, OPM Service Centers can still assist agencies by training personnelists involved in counseling surplus employees on their placement options, assisting in reviewing the agency's retention records, and briefing affected employees.

Depending upon the availability of OPM resources and the needs of the agency, additional outplacement services may be provided by OPM (some services are reimbursable).

34. PROVIDE COUNSELING SESSIONS ON MECHANICS OF RIF, EMPLOYEE ENTITLEMENTS AND RETIREMENT

Depending upon the agency's resources and the organization's needs, this type of counseling may be done in individual one-on-one sessions, group sessions, or a combination. The combination option is probably the best. General information sessions can address the most common concerns and questions while individual counseling sessions can provide information specific to the employee involved.

The need for counseling sessions and the amount of time which should be allotted for these sessions is not always easy to estimate. If the agency has had a good communication/education program leading up to and/or immediately following the issuance of the reduction in force notices, the need for one-on-one counseling will be less and the length of the counseling session will also be less.

From the employee's perspective, one-stop shopping to get the answers to their questions is desirable although not always feasible. Agencies should strive to have as many counselors fluent in as many areas as possible remembering at the same time the need to provide correct, accurate, and complete information to the employee.

One-on-one reduction in force mechanics counseling is best handled by a member of the reduction in force team simply because they are most familiar with the details of the reduction in force.

It is recommended that the reduction in force counselors decide ahead of time how they will conduct the counseling sessions (e.g., the amount of time allotted per individual employee, how to deal with personal or union representatives, what materials can be shown "as is" and what needs to be sanitized before review by the employee, what materials will be provided to the employee upon request, etc.) Also, the team should consult the agency's legal counsel concerning any questionable areas (e.g., release of internal agency documents, Freedom of Information requests for documents related to the downsizing, etc.).

Training and/or role playing practice is often beneficial for the counselors. Consideration should also be given to maintaining a record of the counseling session in the event of an appeal.

When scheduling employees for individual reduction in force counseling, priority scheduling should be given to those employees who need counseling prior to accepting/declining an offer.

It is desirable that the individuals conducting reduction in force counseling have a good understanding of entitlements available to released employees, including retained grade and pay, severance pay, and retirement options. The most commonly asked entitlement questions of employees include eligibility requirements for the entitlement, features of the entitlement, and conditions under which the entitlement is terminated.

Ideally, the agency will have both reduction in force and outplacement counselors who are knowledgeable of the entitlement programs.

It is generally not a good idea to have reduction in force counseling sessions scheduled for longer than 30 minutes unless counseling an employee with special needs. Some agencies may find it better to have shorter counseling sessions (i.e., 15 or 20 minutes) with follow up sessions as necessary. Ideally, it is not desirable to "rush" the employees in and out, but rather to allow them adequate time to ask the questions, understand the answers, and ask follow-up questions as necessary.

The organization should review its agency's Career Transition Assistance Plan to determine the services and resources available for outplacement. Depending upon the size of the reduction in force and the agency resources available, agencies may develop their own outplacement program or may refer affected employees to outplacement services available in the community.

35. CONDUCT BRIEFINGS AND REGISTRATION FOR PLACEMENT PROGRAMS

Depending upon the circumstances at the agency, this may be handled by the reduction in force team, the outplacement team or other members of personnel.

(a) MANDATORY CTAP BRIEFINGS

OPM's "Career Transition Assistance Plan" (CTAP) regulations require an agency to provide a specific orientation session for surplus and displaced employees on the use of career transition services. The session must also cover the requirements for meeting selection priority under both the Career Transition Assistance Plan and the Interagency Career Transition Assistance Plan (ICTAP), and how to apply for vacancies under both programs.

Certain CTAP benefits extend to all surplus and displaced agency employees, including employees in the excepted service and in the Senior Executive Service. These benefits include:

- o A summary of the types of career transition services that are provided by the agency.
- o Use of excused absence for employees to use the agency's CTAP services and facilities.
- o Continued access to the agency's CTAP services and facilities even after involuntary separation.
- o Retraining of surplus or displaced employees to enhance their opportunities for placement in continuing positions either in their present agency, or in a different agency.
- o Access by employees (including employees with disabilities) to services in headquarters, field offices, and remote site locations.
- o Access to resource information on other forms of Federal, state, and local assistance which are available to support career transition for employees with disabilities.
- o Information on the role of employee assistance programs in providing services related to career transition efforts.

(b) ADDITIONAL MANDATORY PLACEMENT INFORMATION

OPM's reduction in force regulations require that the agency provide each employee who has received a specific notice of reduction in force separation with information on CTAP, ICTAP, and the Reemployment Priority List (RPL).

(c) RELEASE OF RESUME OPTION

OPM's reduction in force regulations require that the agency give a resume release to each employee who has received a specific notice of reduction in force separation. At the option of the separated employee, the agency will release the employee's resume and other relevant employment information for employment referral to State dislocated worker units. The agency will also release the employee's resume to potential public and private sector employers.

(d) SEVERANCE PAY INFORMATION

OPM's reduction in force regulations require that the agency provide each eligible employee who has received a specific notice of reduction in force separation with an estimate of severance pay.

(e) UNEMPLOYMENT INSURANCE INFORMATION

OPM's reduction in force regulations require that the agency provide each employee who has received a specific notice of reduction in force separation with information on how to apply for unemployment insurance benefits through the appropriate State program.

(f) RETRAINING INFORMATION

OPM's reduction in force regulations require that the agency provide each employee who has received a specific notice of reduction in force separation with information on how to apply for benefits available through the appropriate State dislocated worker unit, as designated or created under title III of the Job Training Partnership Act.

(g) ADDITIONAL INFORMATION

Additional steps that the agency may take to assist surplus or displaced employees include:

- o One-on-one career counseling and registration for transition assistance programs.
- o Do-it-yourself registration for programs (e.g., retraining), with personnel office review.
- o Regular group briefings on common topics related to the downsizing situation.

Most agencies have found it beneficial to conduct multiple group briefings to highlight an available program, including:

- o What benefits are available from the state dislocated worker unit?
- o How to make best use of the agency's transition center software?

- o How to write the most effective job resume?
- o How to negotiate a private sector salary?

When possible, it is best for the agency to provide the employee with a day or two after the briefing to make decisions on the available options (e.g., Should I move to a different worksite?) before the agency begins final counseling sessions. This is important so employees can make thoughtful choices and have time to consult with family members.

Agencies who have not conducted reduction in force actions may find themselves quickly developing program guidance on the Reemployment Priority List and repromotion priority programs as well as information on applying for positions under CTAP and ICTAP. Even after this material is available, the agency should regularly review the issuances to see if revisions are necessary. OPM Service Center Personnel are in an excellent position to offer assistance with downsizing issues. Assistance can include briefings both to employees and to agency personnel. OPM Service Center personnel may also identify Federal agencies that are hiring as well as research the market for other public or private organizations that may be hiring.

* Note: Registration is required only for the Reemployment Priority List (RPL) and in the case of the Department of Defense, the Priority Placement Program (PPP).

Briefings on all programs (including the Career Transition Assistance Plan (CTAP), the PPP for Defense employees, the RPL, and the Interagency Career Transition Assistance (ICTAP) help surplus employees identify their outplacement options.

36. AS NECESSARY, MAKE ADDITIONAL RUNS OF THE RIF DURING THE NOTICE PERIOD TO UPGRADE OFFERS WHEN POSSIBLE

Based upon the first run of the reduction in force, some employees may have been offered positions which were either encumbered or vacant. If any of these offers are declined, the reduction in force must be rerun to determine if an improved offer may be made to another employee or to make an offer to an employee who had been identified for separation.

Vacancies which occur during the notice period (i.e., retirement, resignation, transfer) may also be used as reduction in force placement offers if management so chooses. (Refer to policy on use of vacancies established before the reduction in force was run.)

Note: As it gets closer to the effective date of the reduction in force, any improved offers normally will have a shorter response time, so if an individual declines, the position can be offered to another employee.

37. PREPARE OUTPROCESSING PACKAGES FOR EMPLOYEES SCHEDULED FOR SEPARATION; EFFECT ACTIONS AND OUTPROCESS EMPLOYEES

The Personnel Office faces a significant workload burden on the effective date of the reduction in force. As soon as the reduction in force notices are issued (if not before), the personnel office should begin making plans as to how they will outprocess a large number of employees. It is important that this be handled efficiently and accurately given the personal impact of reduction in force actions.

Agencies will need to decide who will prepare the SF-52 (i.e., whether they will be mass produced by personnel or whether each affected section/division prepares). In any event, it is essential that a valid, current address be obtained for each employee whether on the SF-52 or validation as part of the check out process.

The "Guide to Processing Personnel Actions" (formerly Federal Personnel Manual Supplement 296-33) identifies the information that is required as part of the out-processing package for employees separated by reduction in force. As soon as possible, all of the forms and related materials needed for outprocessing should be identified and ordered, if necessary, to ensure that an adequate stock is on hand. In advance of the effective date of the reduction in force, the agency needs to complete information on the following forms:

- o TSP Validation of Retirement Information - TSP-18.
- o FEGLI Notice of Conversion Privilege- SF 2819.
- o Agency Certification of Insurance Status- SF 2821 (Note: This form requires agency payroll office to also complete.)
- o Notice of Change in Health Benefits Enrollment- FEHB 2810.

- o Notice to Federal Employee About Unemployment Insurance- SF 8
- o Continuation of Life Insurance Coverage- SF 2818

When doing volume outprocessing, agencies usually find it easier to prepare outprocessing packages in mass along with specific written instructions. Some agencies conduct group outprocessing briefings, while others simply forward the packet and materials to the employee via the supervisor.

It is in the interest of the agency to make the outprocessing as simple and painless as possible for the employees. Consideration may be given to having all of the parties on the outprocessing checklist at one location to allow the employees "one stop" outprocessing.

Most State employment offices will require Federal employees to produce a copy of their separation SF-50. For that reason, it is important that (when possible) the agency provide the employee with the SF-50 evidencing involuntary separation on the employee's last day of work rather than have it mailed later.

The agency should also advise employees that their unemployment insurance claim may be expedited if, when they file for unemployment insurance, they have in their possession copies of their pay stubs from the previous 12-18 months.

Agencies should make certain that the remarks on the SF-50 clearly indicate the circumstances under which the employee is leaving the agency. This is important because the State Employment Services will be using the SF-50 to determine eligibility for unemployment benefits.

In many situations, if employees do anything to voluntarily hasten their departure (i.e., resignation after receipt of a reduction in force notice, but before effective date), they will not be eligible for unemployment insurance benefits.

As part of outprocessing, agencies may want to consider conducting an exit interview and get feedback from the employees for use in evaluating the agency's downsizing and outplacement program. Two possible alternatives to the outplacement interview would be to have a survey form with a self-addressed stamped envelope in the outplacement package for completion at the employee's convenience. A second option might be to conduct a survey 30-60 days after the reduction in force.

38. ORGANIZE RIF RECORDS AND RETENTION REGISTERS; REVIEW FOR COMPLETENESS AND DOCUMENTATION

Throughout the entire reduction in force planning and execution process, all key decisions should be documented and made a part of the official record. Documentation must be maintained to the extent that the entire reduction in force could be reconstructed, if necessary, based upon the "official" records.

Below is a suggested checklist to assist in making sure that documentation is adequate:

- o Competitive area defined.
- o Competitive levels defined.
- o Copies of all employees' official position descriptions.
- o Reason(s) for reduction in force documented (usually in specific notice).
- o Record of correspondence and agreements with collective bargaining unit(s).
- o Definition of "rating of record," as defined in 5 CFR Part 430.
- o Identification of all individuals in the competitive area.
- o Identification of all positions in the competitive area including vacancies which are made available for possible reduction in force offers.
- o Identification of positions abolished.
- o Cut off date(s) for acceptance of performance appraisals and qualifications information.
- o Decisions on discretionary management issues (i.e., use of vacancies, bumping within subgroup, etc.) and decisions on key issues (i.e., qualification issues, retreat, etc.) to demonstrate consistency in application

- o Support documents for employee reduction in force essential data, including:
 - Performance appraisals.
 - SF-50's.
 - DD-214's.
 - VA Letter.
- o [Resume/OF-612/SF-171](#) used for assignment rights/qualifications determination.
- o Retention registers documented to show:
 - Individuals released from competitive level by displacement or job abolishment.
 - Reason for denying assignment rights in round two.
 - Who bumped or retreated and on whom.
 - Reason for exceptions to the regular order of release.
 - Waiver of qualifications.
 - Release of non-competing employees from competitive level when a competing employee is released from the same competitive level.
- o Pay scales used in determining assignment rights.
- o Lines of progression for all affected positions.
- o Copies of all correspondence to and from the employees, including the:
 - Specific reduction in force notice with receipt acknowledgment/documentation.
 - Offer acceptance/declination form.
 - Upgraded reduction in force offers.
 - Severance pay calculations.
 - Records of reduction in force counseling sessions.

39. RESPOND TO APPEALS OR GRIEVANCES, AS NECESSARY

If the agency has maintained proper documentation of the reduction in force actions (e.g., how the agency established competitive levels, how the agency determined employees' bump and retreat rights, etc.), the agency should be able to readily respond to any issues raised in employees' reduction in force appeals and grievances.

When an employee appeals to the Merit Systems Protection Board (MSPB), the agency has 30 days from the date of MSPB's acknowledgment letter to respond to the Board. (Reference MSPB's procedural regulations found in 5 CFR, Part 1201). MSPB provides specific instructions to agencies regarding how to prepare the response along with specific requests for materials. The agency always retains the final burden of proof concerning all of the issues raised by the employee (or former employee) in the appeal.

Unless the reduction in force action is specifically excluded from coverage in the negotiated agreement, bargaining unit employees must use their negotiated grievance procedure in contesting the reduction in force action. Since grievance procedures differ among individual union contracts, the agency should review both the contract coverage and grievance procedures for each bargaining unit reached for a reduction in force action.

40. REVIEW AND EVALUATE RIF PLANNING PROCESS AND EXECUTION

Agencies should be encouraged to assess the reduction in force planning and execution process to identify their successes and to analyze where improvements in the process can be made.

Input should be gathered from management, unions, employees and personnel. Some agencies establish "process improvement teams" to review the different processes which occurred during downsizing (i.e., reduction in force execution, communication, outplacement, etc.) and to identify ways to improve it in the future.

Agencies that have previously gone through the reduction in force process more fully realize how important it is to plan and execute a downsizing plan in the most professional and humane manner possible. There are always "lessons learned" and room for improvement.

Agencies that do not anticipate conducting a reduction in force again can speed up the recovery process after the reduction in force if they identify what didn't work well and how it impacted the remaining work force. The agency can then plan accordingly for a post-reduction in force recovery program.

41. DEVELOP AND IMPLEMENT A POST-RIF RECOVERY PLAN

Agency managers often think that their job is done, as far as the reduction in force is concerned, once they hand out the reduction in force notices. During the notice period all the attention is placed on those who received reduction in force notices. It is often assumed that everything will fall into place after the effective date of the reduction in force; that once the reduction in force has occurred, things will get back to "normal". What many managers don't realize is that a reduction in force may result in long-term changes both to the way work is performed, and to employees' perceptions of the agency.

The reduction in force survivors are often the overlooked segment in a downsizing organization. These are the individuals that the agency must depend upon for its future. Managers must be aware of the emotions that their staffs are experiencing as reduction in force survivors, including guilt (Why was I spared?), loss of fellow workers (How can I perform without a backup?), and anxiety (Will I be reached for an action in a future reduction in force?). When possible, the agency should try to reaffirm a sense of trust and commitment to its remaining employees.

The new work unit needs to learn how to work together as a team. Often, after downsizing, the survivors (at least for a period of time) must continue to perform the same amount of work, but with fewer people. In this stage, managers must make key decisions concerning how the agency will perform the work, and which employees (or organizations) will actually be involved in the work processes. Managers may also need to decide what work will no longer be done or what could be done in a different way. When possible, managers, employees, and unions should work together to plan and implement these changes.

Recovery may occur without a plan, but it will most certainly be expedited with a comprehensive recovery plan.

MODULE 2 (HUMAN RESOURCE RESPONSIBILITIES IN RESTRUCTURING), UNIT B (GUIDANCE),
SECTION 3. REDUCTION IN FORCE CHECKLIST

This sample Reduction in Force Checklist is designed for agencies to document the progress of their downsizing actions. A checklist is essential in the control process used by managers to achieve organizational goals.

o Agencies may wish to modify this sample checklist to meet their specific requirements.

Next to each of the Action Items listed below, the agency should provide space to cover:

- START DATE
- COMPLETION DATE
- RESPONSIBLE PARTY
- NOTES

SAMPLE ACTION ITEMS:

1. Establish reduction in force team/coordinators - determine training and/or other support requirements and procure, as necessary
2. Designate outplacement team and begin developing outplacement program if this has not been accomplished under reduction in force avoidance strategies
3. Identify the competitive area where the reduction in force will occur
4. Notify parent organization of impending reduction in force action and obtain approval, if necessary
5. Establish effective date of reduction in force
6. Develop a communication plan for dealing with information concerning the reduction in force
7. Notify unions in accordance with local negotiated agreements

8. Contact other Federal, state and local agencies and solicit assistance in placing employees, if not already done under reduction in force avoidance strategies
9. Identify all employees and positions in the competitive area
10. Review employee assignment to insure position descriptions are accurate
11. Review competitive levels for accuracy
12. Review and verify entitlement to preference eligibility under RIF
13. Review and verify service computation dates of all potentially affected employees
14. Performance Ratings:
 - Identify the 4-year window
 - Verify ratings for all employees
 - Determine crediting scheme
 - Determine modal rating(s)
15. Complete review of all employee RIF essential data
16. Provide a definite time period for employees to review and update their OPFs, resumes/OF-612's/SF-171s, performance ratings, and other RIF essential information
17. Establish cutoff date for receipt of performance appraisals
18. Determine administrative guidelines/policy on discretionary issues dealing with the reduction in force
19. Freeze all personnel actions which impact employees' retention standing
20. Identify positions to be abolished
21. Obtain copies of pay scales and prepare representative rate chart
22. Identify lines of progression for occupations in the competitive area
23. Prepare retention registers and listing of vacancies to be used as reduction in force placement offers

24. Conduct mock reduction in force actions and analyze the results to provide early priority placement to surplus employees
25. Conduct Round one - Identify employees released from their competitive level
26. Separate reemployed annuitants, temporary employees, and return status employees on details, temporary promotion, etc., to their permanent position of record, as necessary
27. Determine qualifications of affected employees
28. Identify employee assignment rights - complete round two
29. Complete notification requirements when 50 or more employees are identified for separation:
 - OPM
 - Department of Labor
 - State dislocated worker unit
 - Chief elected official of the local governmental jurisdiction(s) where separations will take place
30. Make reduction in force entitlement eligibility determinations for affected employees:
 - Grade Retention
 - Pay Retention
 - Severance Pay
 - Discontinued Service, Optional and MRA + 10 retirement options
31. Prepare reduction in force notices and associated informational materials
32. Determine the process which will be used for delivering reduction in force notices
33. Deliver reduction in force notices and obtain employees' acknowledgment
34. Notify exclusive bargaining unit representative(s) of each affected employee
35. Provide counseling sessions on mechanics of reduction in force, employee entitlements, and retirement

36. Conduct briefings and registration for placement program
37. As necessary, make additional runs of the reduction in force during the notice period to upgrade offers when possible
38. Prepare outprocessing package for employees scheduled for separation; effect actions and outprocess
39. Organize reduction in force records and retention registers and review for completeness and documentation
40. Respond to appeals or grievances as necessary
41. Review and evaluate the reduction in force planning process and execution
42. Develop and implement a post-reduction in force recovery plan

MODULE 2 (HUMAN RESOURCE RESPONSIBILITIES IN RESTRUCTURING), UNIT B (GUIDANCE), SECTION 4. REDUCTION IN FORCE EMPLOYEES' SKILLS SURVEY

This Skills Survey is designed for agencies to use to determine the level of competency of the skilled functions of their personnel specialists and other employees who will be conducting a reduction in force and/or will be counseling employees who receive reduction in force notices.

o Agencies may wish to modify this sample skills survey to meet their specific requirements.

SAMPLE SKILLS SURVEY OF EMPLOYEES INVOLVED IN REDUCTION IN FORCE OR OTHER DOWNSIZING ACTIONS

o SKILLS CODING:

- Source of Skill: For each skill/function, indicate how it was gained:

- Formal Training = (T)
- Experience or OJT = (E)
- Both (Formal Training & Experience) = (B)

-- Also, please indicate with an "*" if you believe the skill level is current.

- Not applicable = (NA)

- Level of Competency: For each skill/function, please identify the level of competency you possess:

-- Expert (EX) = Current, up to date, can advise/assist agencies on all issues in this area whether routine or non-routine

-- Intermediate (I) = Can advise agencies on routine questions in this area - advise is based primarily upon theoretical application

-- Novice (N) = Has not demonstrated, but has some basic knowledge - not in a position to advise agencies without further training/experience in this area

- None (O) = No training or experience in this area

- Narrative: For each rating of "expert" or "intermediate", please provide a brief narrative statement that describes the depth and breath of experience.

-- If you do not currently possess the skill at the expert or intermediate level but are interested in developing it, please indicate accordingly in this block.

- Supervisory Comments: After you have completed the survey, please forward it to your supervisor for review and concurrence.

EMPLOYEE'S NAME:

o Next to each of the skills listed below, the agency should provide space to cover:

- THE EMPLOYEE'S SKILLS SOURCE OR SKILLS LEVEL (use the skills coding material covered above)

- ANY APPLICABLE NARRATIVE COMMENTS

- SUPERVISORY COMMENTS

REDUCTION IN FORCE OR OTHER DOWNSIZING SKILLS INVENTORY:

1. RIF AVOIDANCE TECHNIQUES

- POSITION MANAGEMENT

- POSITION CLASSIFICATION

- ORGANIZATIONAL DEVELOPMENT

- WORKFORCE FORECASTING

- WORKFORCE SKILLS ASSESSMENT

2. RIF PLANNING

3. RIF EXECUTION

- RIF BENEFITS/ENTITLEMENTS

- AUTOMATED RIF PROGRAMS (e.g., "AUTORIF")

4. OUTPLACEMENT

- PROGRAM DEVELOPMENT
- CAREER COUNSELING (OVERALL)
- ASSESSMENT TOOLS
- SKILL IDENTIFICATION OF CAREER OBJECTIVES
 - RETRAINING
 - EMPLOYMENT COUNSELING (OVERALL)
 - FEDERAL EMPLOYMENT
 - OTHER PUBLIC SECTOR
 - PRIVATE SECTOR
 - RESUMES
 - JOB SEARCH TECHNIQUES
 - INTERVIEWING
 - SELF-MARKETING
 - NETWORKING
 - SALARY/BENEFITS NEGOTIATIONS
 - JOB CLUBS
 - JOB DEVELOPERS
 - SELF-EMPLOYMENT
 - CAREER/JOB FAIRS
- STRESS MANAGEMENT COUNSELING
- CRISIS MANAGEMENT COUNSELING
- FINANCIAL COUNSELING
- LEGAL COUNSELING

- RELOCATION COUNSELING
- RETIREMENT COUNSELING
- OUTPLACEMENT CENTER (Designing and running)

5. OTHER:

- DESIGNING CUSTOMER SURVEYING INSTRUMENTS
- SAMPLING TECHNIQUES
- CONDUCTING FOCUS GROUPS
- INSTRUCTOR/PRESENTATION SKILLS
- MARKETING SKILLS
- SALES SKILLS
- ORGANIZATIONAL INTERVENTION SKILLS
- CONTRACTING SKILLS
- LABOR-MANAGEMENT RELATIONS
- EMPLOYEE RELATIONS
- AGENCY REPRESENTATIVE

MODULE 2 (HUMAN RESOURCE RESPONSIBILITIES IN RESTRUCTURING), UNIT B (GUIDANCE), SECTION 5. RESTRUCTURING TOOLS FOR FEDERAL AGENCIES

This is a time of change for the Federal Government. The National Performance Review has mandated a change in how government works. Change involves reducing the structures of overcontrol (i.e., procurement, personnel, budgeting) and micromanagement. Employees are made empowered and accountable. They are rewarded for excellence. In short, change means a government that does more with less.

Fiscal constraints also mandate change for agencies. They must rethink missions and find ways to do more with less. The international scene varies on a daily basis, and agencies must respond by being flexible.

Change also results from legislative action; decisions by the Base Realignment and Closure (BRAC) Commission have resulted in the consolidation and closure of selected Department of Defense installations world-wide.

No matter what the driving force, change is not easy. Agencies must balance the performance of their missions with the continuance of top-notch service to its customers. To achieve change, they must restructure to remain competitive. How can agencies restructure while continuing to provide services? The Agency's Guide to Restructuring suggests tools to customize the restructuring of their workforces. Agencies may use one or more of these tools, together or separately.

TIPS TO BEGIN: PLANNING FOR CHANGE

To begin a restructuring effort, a plan is needed. Regardless of the timeframe, a "blueprint" is needed to ensure a smooth process. All aspects must be considered--the question of "Why?" needs a clear answer, because this guides your efforts and choices in which tools are needed. Your plan must also include an implementation strategy, action to be taken, and an evaluation component. In carrying out the plan, support from all management levels is a must. Whatever the reasons for restructuring, planning, execution, and analysis of the implementation becomes the most important tasks.

There are five critical management considerations before beginning implementation:

1. SCOPE. The size and type of the cutback affects the tools used and the amount of time with which to work. What is the size of the cutback? Is it budget-driven, program-related, or required in order to meet restructuring goals?

2. TIMING. The time available to effect the cutbacks will dictate the strategies. The more time one has, the better, and the less likely the need for drastic measures such as reductions in force. Sometimes waiting will compound the budget or full-time equivalent (FTE) problem, so it is important to line up the strategies and look at the timeframe.

3. TARGETING. It is important to identify where the cuts need to be made. Concentrate the tools and strategies on that population.

4. FLEXIBILITY. Do not rule out any strategy at the start. Do not over-promise on things that are not deliverable later. Monitor progress carefully and closely, but do not hesitate to change approaches or methods. Ensure that actions are in line with the agency vision.

5. MULTIPLE STRATEGIES. There is no one solution. There are many combinations of tools and strategies to carry out restructuring. Reduction in force should not be the first alternative; instead, reduction in force is the last resort for both the agency and its employees.

A successful reshaping of an organization is designed by the stakeholders it affects. Identify the stakeholders and, if possible, involve them in every step. The numbers of stakeholders and the extent of their involvement will vary by agency. Each stakeholder group can contribute; if left out of the process, the effectiveness of the restructuring may be diminished.

Stakeholders may include:

- o Employees;
- o unions and managers' associations;
- o Congress;
- o state and local elected officials;

- o customers and/or suppliers; and
- o the community.

COMMUNICATE, COMMUNICATE, COMMUNICATE!

There is not enough emphasis on the importance of communication.

When agencies downsize, employees begin to fear "the unknown" and rumors begin that could damage the effectiveness of the restructuring. Agencies who have carried out successful restructuring programs repeatedly stress the importance of communicating to employees.

Before, during, and after implementation, communicate through every official means, including employee letters and other communique.

Once the plan is in place, it is time to move forward with the tools.

TOOL I: EARLY OUTS, BUYOUTS, AND DISCONTINUED SERVICE RETIREMENT

(1) Voluntary Early Retirement Authority (Early Out)

The purpose of voluntary early retirements is to assist in completing a major personnel or workload change with minimal disruption to the workforce. It allows those eligible employees to leave Federal service voluntarily. Voluntary early retirement requires approval from the Office of Personnel Management (OPM). Components of agencies must go through their headquarters before a request is considered by OPM.

Employees who take voluntary early retirements create vacancies that are filled by employees who might otherwise involuntarily separate. To be eligible, employees must be age 50 with at least 20 years of creditable service, or 25 years of creditable service at any age. At least 5 of those years must be creditable civilian government service.

In achieving a 16% reduction of personnel in the 5-year period beginning in January 1993 (i.e., an actual reduction of 350,000 employees), nearly 90,000 employees retired under the voluntary early retirement option. At the same time, nearly 180,000 employees retired under regular optional retirements.

For additional information on the voluntary early retirement option, refer to interim regulations published by OPM on June 15, 1998, at 63 FR 32595, and additional guidance issued to agencies that is available on the OPM website.

Retirement counseling is critical. Because of the reduction in their annuities, employees will need current, accurate, and personal information regarding their estimated annuities, survivor benefits, health and life insurance entitlements, etc. Such counseling should be handled in a confidential manner by a trained retirement counselor. General pre-retirement workshops can be offered to all employees who are eligible for voluntary early or optional retirement.

(2) Voluntary Separation Incentive Payments (Buyouts)

Beginning with the Public Law 102-484 (the National Defense Authorization Act of 1993), Department of Defense employees in downsizing situations have the potential opportunity to receive a Voluntary Separation Incentive Payments (i.e., "Buyouts") of up to \$25,000. This payment is made to Defense employees who resigned, retired under a voluntary early retirement authority, or retired optionally.

This option is presently available to Defense through September 30, 2001.

Public Law 103-226 (The Federal Workforce Restructuring Act of 1994) offered many non-Defense agencies the option of offering buyouts through March 30, 1994. Later Section 663 of Public Law 104-208, authorized buyouts for non-Defense agencies through December 30, 1996. Several non-Defense agencies have received their own authority to offer buyouts to employees impacted in restructuring situations.

o In achieving a 16% reduction of personnel in the 5-year period beginning in January 1993 (i.e., an actual reduction of 350,000 employees), nearly 160,000 buyouts were paid during the same period (110,000 in the Department of Defense and 50,000 to employees in non-Defense agencies).

(3) Discontinued Service Retirement (DSR)

Employees whose jobs are abolished and who face involuntary separation may be given an immediate annuity if they meet the early retirement eligibility. Availability of discontinued service retirements gives agencies a valuable tool to lessen the impact of an involuntary separation of long-service employees.

o For additional information on the discontinued service retirement option, refer to Chapter 44 of the "CSRS/FERS Handbook" (which was formerly Federal Personnel Manual Supplement 830-1).

TOOL II: MOVING PEOPLE AROUND

(1) Directed or Voluntary Reassignments

Another consideration is the reassignment of career employees out of a unit for which a reduction is planned and into vacant continuing jobs in units not affected. At agency discretion, reassignments may be made to positions for which the employee qualifies in the same or different commuting area. These reassignments are not subject to reduction in force procedures as long as the employee is not reduced in grade involuntarily. Directed reassignments do not need to be made on the basis of seniority, veterans' preference, etc.; agency discretion is allowed.

(2) Details

A detail is a temporary movement of an employee into another job for no more than 120 days. The detail may be extended in increments of 120 days. Qualifications may be waived for the employee. The employee may be detailed on a reimbursable basis to other agencies.

(3) Voluntary Change to Lower Grade

Some employees may be willing to take a voluntary change to lower grade to avoid reductions in force or relocation. Agencies have the option to offer grade retention to eligible employees who might be reduced in grade as result of a reorganization or reclassification decision announced by management in writing (5 CFR 536.103(b)). Acceptance of the position must be voluntary on the employee's part.

(4) Relocations

Other employees may be willing to voluntarily relocate to positions outside the local commuting area. Employees will consider: the cost of travel and relocation expenses; disparity in grade level between headquarters and field offices; and retraining costs incidental to the new position. Some agencies have adopted special programs to promote and encourage this option.

TOOL III: REDUCING PERSONNEL COSTS

(1) Freeze on Hiring and Promotions

Hiring can be restricted easier than promotions. A 1-for-2 or 1-for-3 limit on replacement hiring is often more effective than a total freeze. Promotion freezes are more difficult to administer, and sell, to employees.

When considering a freeze, several factors should be determined, such as whether all promotions will be frozen, or only at certain grade levels. Also, consider whether career ladder promotions will continue to be authorized, and the effects of the freeze on the morale of the workforce.

(2) Voluntary Reduction in Hours

Employees may be given the opportunity to voluntarily reduce the number of hours they work, or convert to a part-time work schedule, to save personnel dollars. One reason for choosing this option is the employee may meet family or educational needs.

One way to see if this approach is viable is to conduct an employee survey to determine the level of interest (e.g., what grade levels, how many hours) so that cost savings may be projected.

(3) Short Furloughs

Personnel costs may temporarily be reduced by placing employees on furloughs for less than 30 days. Furlough can also be done on a discontinuous basis, e.g., one day each week for a total of 22 days.

Furloughs of more than 30 days are more complicated, and require reduction in force procedures.

For additional information on short and long furloughs, refer to Restructuring Information Handbook Module 5, "FURLOUGH." Any furlough plan should be equitably applied, with considerations for the financial impact it will have on employees. Employees must be notified 30 days in advance and can appeal furlough actions to the Merit Systems Protection Board (MSPB).

(4) Leave Without Pay

Leave without pay is similar to voluntary reduction in hours. Some employees may want to take a year off to return to school, care for their children or an elderly parent. Again, survey employees to determine the level of interest.

(5) Use of Temporaries and Contingents

Your agency has the option of hiring and separating temporaries as needed. By releasing them, payroll dollars are saved. By filling short-term jobs with temporaries, the workload is controlled without increasing the number of full-time permanent employees.

TOOL IV: REDUCTION IN FORCE (RIF)

(1) Reduction in Force Procedures

As a last resort, reductions in force (RIF's) may be necessary to meet whatever restrictions you face. Reduction in force procedures are required when you separate or downgrade employees involuntarily. It is a system that decides who stays and who goes when jobs are cut. The primary focus is not how cuts are made, but how employees are protected when cuts occur. By law, reduction in force retention is based on four factors: (1) tenure, (2) veterans' preference, (3) seniority, and (4) performance. Employees' standing on a retention register is based upon a combination of these factors.

For additional information on reduction in force procedures, refer to Restructuring Information Handbook Module 3, "REDUCTION IN FORCE."

Keep in mind, however, there are five stages in a reduction in force.

The first stage is the determination of the competitive area (or organizational boundaries) of the reduction in force.

The second stage is the provision of 60 days notice to employees who will be separated or downgraded.

The third stage is competition among employees in similar jobs to determine exactly who will be separated or downgraded.

The fourth stage involves the displacement of less senior employees by employees who have been released from their competitive level.

The fifth stage is the aftermath of the actions, in which employees file appeals or grievances to contest the reduction in force actions, and seek priority for continuing positions in their present or former agency, or in other agencies.

Reduction in force is a important decision. On one hand, reduction in force is a legal, objective procedure for making personnel cutbacks when other alternatives listed in this Guide are not an option. On the other hand, reduction in force is complex, costly, and contentious, and disruptive to the workforce.

TOOL V: TRANSITION ASSISTANCE

Background on Tools V, VI, and VII: On September 12, 1995, the President issued a memorandum that Federal agencies provide increased assistance to their employees who are adversely affected by restructuring-related actions. As a result, all Executive branch agencies established new career transition programs for their employees who are affected by reduction in force.

On December 29, 1995, OPM issued interim regulations implementing the President's directive. At the same time, OPM suspended the "Interagency Placement Program," which previously offered separated employees limited selection priority for positions in other Federal agencies. OPM subsequently published final career transition regulations on June 9, 1997.

Agencies' Career Transition Assistance Plans consist of four parts:

- (1) Career transition services to assist all agency employees affected by downsizing, including employees holding excepted service and Senior Executive Service positions;

(2) Internal selection priority through the "Career Transition Assistance Plan" (CTAP) for most surplus and displaced competitive service employees who apply for competitive service vacancies that their agency is filling in their present local commuting area;

(3) External selection priority over other outside candidates through the "Interagency Career Transition Assistance Plan" (ICTAP) for most displaced competitive service employees who apply for competitive service vacancies that other agencies agency are filling in their present local commuting area; and

(4) A "Reemployment Priority List" (RPL) to provide rehiring priority in the same agency to competitive service employees of that agency who were separated by reduction in force.

o The Career Transition Assistance Plan is authorized by Subpart 5 CFR 330-E. Additional Information is found in Restructuring Information Handbook Module 7, "CAREER TRANSITION ASSISTANCE PLAN." See Tool VI below for a summary of the Career Transition Assistance Plan.

o The Interagency Career Transition Assistance Plan is authorized by Subpart 5 CFR 330-G. Additional Information is found in Restructuring Information Handbook Module 8, "INTERAGENCY CAREER TRANSITION ASSISTANCE PLAN." See Tool VII below for a summary of the Interagency Career Transition Assistance Plan.

o The Reemployment Priority List is authorized by Subpart 5 CFR 330-B. Additional Information is found in Restructuring Information Handbook Module 6, "REEMPLOYMENT PRIORITY LIST." See Tool VII below for a summary of the Reemployment Priority List.

Paragraphs 2-B-2-34 and 2-B-2-35 of this Module note the responsibility of the agency to provide information on all three placement programs.

Career Transition Services

If a reduction in force is implemented, the career transition assistance provided to employees is critical to the morale and well-being of the workforce. Complete transition assistance signals to employees that your agency cares about them as productive members of society, not just surplus employees cut to reach numbers.

Whether designed in-house or by a contractor, a Transition Center is vital in helping employees find other gainful employment. The Center should be housed in an easy-to-find room, with all the latest technology, and should be staffed by trained personnel.

Trained outplacement or transition counselors are a must for a successful Center. These counselors must also have special skills for dealing with surplus or displaced employees, some of whom may be coworkers of the counselors.

The Center's services should include computers with software designed to help employees with their resumes, SF 171's, and other documents. Computer programs to help them choose another career field is also helpful.

Seminars on a variety of topics are also keys to successful transition centers. Agencies have offered seminars such as resume writing, interviewing skills, owning a business, and job hunting. Some agencies offer assessment testing as a self-evaluation tool. The kinds of seminars offered are only limited by the imagination!

Another aspect of a transition center is the responsibility your agency has in marketing surplus employees. Working with other agencies in the area by holding job fairs or job clubs is one way of giving employees a boost in job hunting. Networking with area associations are also helpful.

Not all employees will stay in the Federal Government. Creating communications channels to the private sector allows employees to explore career opportunities in an area which may be unfamiliar to them.

Remember, when creating a transition center, to consider the full impact of the operation on your agency's human resources office (e.g., the number of staff required to operate the center, costs to remodel existing space, allocation of hardware and software from other organizations, etc.). Also, in the planning process, the agency should begin to consider how it will evaluate the success of the transition center.

Another option to explore is the area of retraining (5 U.S.C. 4103(b); 5 CFR 410.301(c)). Note that the President's September 1995 directive requires agencies to develop policies for retraining their employees who are affected by downsizing.

An agency may train any of its employees for placement in another agency if the head of the employee's present agency determines that this training is in the interest of the Government. However, the agency may find that the same fiscal constraints that require a reduction in force prevent the agency from offering training to its surplus employees.

At its option, the agency may issue a "Certification of Expected Separation" (CES) to an employee who is likely to be separated by reduction in force within 6 months. The Certification is authorized by 5 CFR 351.807, and enables otherwise eligible employees to be considered for eligibility to participate in dislocated worker programs (including retraining) under the Job Training Partnership Act administered by the U.S. Department of Labor. However, most States will not actually provide retraining to displaced employees until the individuals have actually been involuntarily separated from the Federal service.

o For additional information on outplacement and other alternatives to reduction in force, refer to Restructuring Information Handbook Module 1, "DOWNSIZING PLANNING AND ALTERNATIVES."

o For additional information on the Certification of Expected Separation, refer to Restructuring Information Handbook Module 3, "REDUCTION IN FORCE," Sections 3-A-30 and 3-B-30.

TOOL VI: INPLACEMENT

Since 1996, when agencies first implemented their Career Transition Plans, we have found that agency inplacement programs are very effective in reducing the numbers of employees who otherwise would be involuntarily separated as the result of reduction in force or relocation situations.

The Career Transition Assistance Plan requires each agency to provide career transition services to its surplus and displaced employees.

The purpose of these transition services is to give eligible employees additional skills and resources necessary to find other employment.

These transition services overlap into Tool V above, and include skills assessment, resume preparation, counseling and job search assistance, etc.

The Career Transition Assistance Plan also requires an agency to select one of its well-qualified surplus or displaced employees who applies for a vacancy inside the employee's agency before the agency may select any other candidate for the vacancy from within the agency, or from outside of the agency.

- o When agencies recruit to fill vacancies, they must notify their surplus or displaced employees of these potential placement opportunities. This selection priority covers all components of the agency that are in the same local commuting area of the employee's present position.

The requirement for agencies to establish an internal agency career transition program does not affect the operation of the Department of Defense's Priority Placement Program, which provides comparable career transition services to its employees. (Note that displaced Defense employees are eligible to participate in the "Interagency Career Transition Assistance Plan" (which is summarized in Tool VII below), which provides displaced Defense employees with selection priority for vacancies in other Federal agencies.)

Both the Career Transition Assistance Plan, and the Interagency Career Transition Assistance Plan (which is summarized in Tool VII below), are based on an "employee empowerment" approach, in which surplus and displaced employees decide when to invoke potential selection priority in applying for vacant positions.

Selection priority under the Career Transition Assistance Plan covers vacancies that:

- o Are in the same local commuting area;
- o Are in the same executive branch agency;
- o At the same or lower grade as the position from which the displaced employee was (or will be) separated; and
- o Have no higher promotion potential than the position from which the displaced employee will be (or could be) separated;

An individual is considered an "eligible employee" for selection priority under the Career Transition Assistance Plan if the displaced employee:

- o Is a "Surplus Employee" or "Displaced Employee who is still on the agency's rolls;

- o Has a current (or last) performance rating of record of at least Level III (e.g., "Fully Successful" or equivalent);
- o Applies for a vacancy that is at the same grade, or a lower grade, and with no greater promotion potential, as the position from which the individual has been (or will be) separated;
- o Will be displaced from a position in the same local commuting area as the vacancy;
- o Files an application for the vacancy within the timeframes set by the agency; and
- o Is found by the agency to be "Well-Qualified" for the vacancy. ("Well-Qualified" means that an eligible displaced employee meets the qualification standards and eligibility requirements for a position (including any medical qualifications) and minimum educational and experience requirements, along with all applicable selective factors and quality rating factor levels, or the individual is rated by the agency to be above minimally qualified candidates in accordance with the agency's specific selection process.)

An employee is eligible for the special selection priority under the Interagency Career Transition Assistance Plan beginning on the date that the eligible employee receives:

- o A specific notice of separation by reduction in force;
- o A Certification of Expected Separation;
- o A proposed notice of removal by adverse action after declining relocation;
- o A notice of eligibility for Discontinued Service Retirement; or
- o Other notice issued by the agency identifying the employee's position or organization as surplus

An employee's eligibility for the special selection priority under the Career Transition Assistance Plan ends on the date that:

- o The eligible employee is separated by reduction in force, or by adverse action after declining relocation;

- o The agency cancels the eligible employee's notice of separation by reduction in force, or by adverse action after declining relocation;
- o The agency cancels the eligible employee's Certification of Expected Separation, or other notice of eligibility for the Interagency Career Transition Assistance Plan; or
- o The eligible employee voluntarily separates from the agency, including acceptance of a permanent position in the same or in a different agency.

TOOL VII: OUTPLACEMENT

(1) Reemployment Priority List

The Reemployment Priority List is a post-reduction in force program administered by the agency. The List gives separated competitive service employees mandatory priority consideration over outside applicants for vacant competitive service positions filled by the agency. The List covers competitive service positions in the same local commuting area from which the employee was separated by reduction in force. The List does not apply to vacant positions that the agency staffs with current agency employees (e.g., reassignments and promotions) unless the agency, at its option, has adopted a policy to provide this benefit.

A separated career employee remains on the Reemployment Priority List for 2 years following separation by reduction in force, while the agency places a separated career-conditional or probationary employee on the List for 1 year.

(2) Interagency Career Transition Assistance Plan.

In order to provide a more effective career transition assistance for displaced Federal employees, OPM changed the basis in which displaced Federal employees receive selection priority in other agencies that are filling vacancies. Eligible displaced employees now apply directly to agencies for vacant positions, and receive special selection priority over other outside candidates for these jobs.

The Interagency Career Transition Assistance Plan requires agencies to select displaced employees from other agencies for vacancies when the employee applies directly for the vacancy and the hiring agency finds that the applicant is well-qualified for the vacant position.

The Interagency Career Transition Assistance Plan (and the Career Transition Assistance Plan summarized in Tool VI above) are based on a new "employee empowerment" concept for selection priority to vacant positions.

When an agency recruits to fill a vacancy with candidates from outside the agency, the hiring agency must electronically list the vacancy with OPM. The listing covers the position's qualifications, selective factors, and the knowledges, skills, and abilities that candidates must meet to be considered "well-qualified" for the position.

An employee who is eligible for selection priority under the Interagency Career Transition Assistance Plan may receive this special selection priority by:

- o Applying directly to a different agency for a vacancy that is located in the same local commuting area as the position from which the employee will be, or has been, separated; and
- o Attaching proof of eligibility for the Interagency Career Transition Assistance Plan (e.g., a copy of the employee's specific notice of separation by reduction in force, or notice of separation by adverse action for declining relocation).

The hiring agency then reviews the job application of the displaced employee with the requirements of the vacant position to determine if the applicant is well-qualified for that vacancy.

When filling the vacant position, the agency must first consider its own employees who are eligible for selection priority under the Career Transition Assistance Plan for positions within the agency. Then, the agency must consider former displaced employees who are eligible for reemployment priority through the Reemployment Priority List. Finally, the selection priority of the Interagency Career Transition Assistance Plan provides that the hiring agency must select the displaced employee over any other candidate from outside the agency who is not eligible for selection priority, provided that the agency has found that the individual is well-qualified for the vacancy.

An agency may always select any of its current employees for a vacancy over a candidate from outside of the agency.

Selection priority under the Interagency Career Transition Assistance Plan covers vacancies that are:

- o In the same local commuting area;
- o In a different executive branch agency;
- o At the same or lower grade as the position from which the displaced employee was (or will be) separated; and
- o Have no higher promotion potential than the position from which the displaced employee was (or will be) separated;

An agency must select a candidate eligible under the Interagency Career Transition Assistance Plan before selecting any other candidate from outside the agency for a vacant position when taking the following actions:

- o Competitive appointments lasting 90 days or longer (e.g., from competitive examining and direct-hire), noncompetitive appointments, movement between agencies (e.g., transfers), and reinstatements (except for former displaced employees of the agency who are eligible on the Reemployment Priority List); and

An individual who is considered a "displaced employee" for selection priority under the Interagency Career Transition Assistance Plan includes a current or former career or career-conditional competitive service employee:

- o Who has received a specific notice of separation by reduction in force, or who has received a notice of separation by adverse action for declining relocation;
- o Who is in receipt of a specific notice of separation by reduction in force, but who subsequently retired on the effective date of the reduction in force; or
- o Who retired under the discontinued service option.

However, an individual is considered an "eligible employee" for selection priority under the Interagency Career Transition Assistance Plan only if the displaced employee:

- o Has a current (or last) performance rating of record of at least Level III (e.g., "Fully Successful" or equivalent);
- o Applies for a vacancy that is at the same grade, or a lower grade, and with no greater promotion potential, as the position from which the individual has been (or will be) separated;
- o Was (or will be) displaced from a position in the same local commuting area as the vacancy;
- o Files an application for the vacancy within the timeframes set by the agency; and
- o Is found by the agency to be "well-qualified" for the vacancy.

"Well-Qualified" means that an eligible displaced employee meets the qualification standards and eligibility requirements for a position (including any medical qualifications) and minimum educational and experience requirements, along with all applicable selective factors and quality rating factor levels, or the individual is rated by the agency to be above minimally qualified candidates in accordance with the agency's specific selection process. The definition of "Well-Qualified" varies between positions and/or agencies because each position has its own qualification requirements, selective factors, and knowledges, skills, and abilities.

An eligible displaced employee is eligible for the special selection priority under the Interagency Career Transition Assistance Plan beginning on the date that the employee receives a specific notice of separation by reduction in force, or of separation by adverse action for declining relocation to a different local commuting area.

An eligible displaced employee is no longer eligible for the special selection priority under the Interagency Career Transition Assistance Plan:

- o One year after involuntary separation;
- o When the individual receives a career, career-conditional, or excepted service appointment without time limit, in any agency;

- o When the individual no longer meets the eligibility requirements for the Interagency Career Transition Assistance Plan (e.g., the individual is no longer being separated by reduction in force, or separates by resignation or non-discontinued service retirement prior to the effective date of the reduction in force); or

- o Declines an official offer of a vacancy, which may result in no further selection priority for vacancies in that agency.

(3) Voluntary Referral Programs

The agency may also wish to create its own referral job program. One example is the Defense Outplacement Referral System (DORS). Jointly created by OPM and the Department of Defense, DORS is an automated referral system for current Defense employees and their spouses who may be adversely affected due to closure, downsizing, realignment, disestablishment, or reduction in force. It provides maximum placement opportunities for DOD employees through referral to other Defense activities, non-Defense Federal agencies, and private industry including State and local governments. Participation in DORS is separate from Defense's Priority Placement Program.

(4) Private Sector Employment

Given the magnitude of personnel reductions across the Federal Government, private sector employment may offer the best hope for some employees. Through publicity to the community, local employers can be alert to the possibility of hiring displaced employees.

TOOL VIII: SENIOR EXECUTIVE SERVICE (SES)

The Senior Executive Service (SES), by its appointment authority, has additional tools (e.g., mandatory placement rights in both the employees present agency and in other Federal agencies) to help in restructuring your agency.

SES members are covered by a separate reduction in force system authorized by 5 U.S.C. 3595, as implemented in Subpart 5 CFR 359-F.