

of pay for GS-15, step 10, under the General Schedule (excluding locality pay or any other additional pay). The biweekly rate is computed by dividing the annual GS-15, step 10, rate by 2,087 hours to find the hourly rate of pay and by multiplying the hourly rate of pay by 80 hours.

#### § 304.106 Pay and leave administration.

(a) The employing agency has the authority to adjust the pay of experts and consultants after initial appointment and to establish appropriate policies governing the amount and timing of any such adjustments, subject to the limitations of § 304.105. In addition to the factors listed in § 304.104(b), the agency may consider factors such as job performance, contributions to agency mission, and the general pay increases granted to other Federal employees. Experts and consultants are not entitled to receive automatic adjustments in their rates of basic pay at the time of general pay increases under 5 U.S.C. 5303 unless specifically provided for in the official appointing document. In the absence of such automatic entitlement, any pay adjustments are at the agency's discretion.

(b) Experts and consultants paid on a daily rate basis are not entitled to overtime pay under section 5542 of title 5, United States Code. Otherwise, experts and consultants qualify for premium pay under subchapter V of chapter 55 of title 5, United States Code, if they meet the applicable eligibility requirements (including the requirement that an employee have a regularly scheduled tour of duty, where applicable).

(c) Experts and consultants may be entitled to overtime pay under the Fair Labor Standards Act if they are nonexempt under OPM regulations implementing that Act for Federal employees. (See 5 CFR part 551).

(d) An expert or consultant may be paid for service on an intermittent basis in more than one expert or consultant position, provided the pay is not received for the same period of time (5 U.S.C. 5533(d)(1)).

(e) Experts and consultants are subject to the provisions of 5 U.S.C. 8344 and 8468 on reduction of basic pay by the amount of annuity received.

(f) Experts and consultants are subject to the provisions of 5 U.S.C. 5532 on reduction of retired military pay.

(g) Experts and consultants with a regularly scheduled tour of duty (i.e., not intermittent) are entitled to sick and annual leave in accordance with chapter 63 of title 5, United States Code, and to pay for any holiday occurring on a

workday on which they perform no work, provided that workday is part of the basic workweek. Those employed on an intermittent basis do not earn leave and are not entitled to paid holidays.

#### § 304.107 Reports.

As required by 5 U.S.C. 3109(e), each agency shall report to the Office of Personnel Management on an annual basis:

(a) The number of days the agency employed each paid expert or consultant; and

(b) The total amount the agency paid each expert or consultant so employed. (Do not include payments for travel and related expenses.)

#### § 304.108 Compliance.

(a) Each agency using 5 U.S.C. 3109 must establish and maintain a system of controls and oversight necessary to assure compliance with 5 U.S.C. 3109 and these regulations. The system must include—

(1) Appropriate training and information procedures to ensure that officials and employees using the authority understand the statutory and regulatory requirements; and

(2) Appropriate provision for review of expert and consultant appointments.

(b) OPM will, as necessary—

(1) Review agency employment of experts and consultants and agency controls and oversight to determine compliance; and

(2) Issue instructions and guidance to agencies on employing experts and consultants and on reporting procedures.

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BILLING CODE 6325-01-M

### 5 CFR Parts 353, 870, and 890

RIN 3206-AG02

#### Restoration to Duty From Uniformed Service or Compensable Injury

**AGENCY:** Office of Personnel Management.

**ACTION:** Interim regulations with request for written comments.

**SUMMARY:** The Office of Personnel Management (OPM) is issuing interim regulations on the restoration rights of Federal employees who leave their employment to perform duty with the uniformed services. These regulations implement the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), Public Law 103-

353, which was enacted into law on October 13, 1994. The new law revises and restructures the Veteran's Reemployment Rights law (codified in chapter 43 of title 38, United States Code), which governs the restoration rights of employees who perform military duty. USERRA clarifies, expands, and strengthens the rights and benefits of applicants and employees, alters the appeal procedures available to Federal employees, and, for the first time, provides Federal employees Department of Labor assistance in processing claims. USERRA also requires OPM to place certain returning employees when their former agencies determine that it is "impossible or unreasonable" to reemploy them.

Although the sections have been renumbered, and in some cases renamed, there is no substantive change in the regulations governing the restoration rights of employees who sustain compensable injuries. However, in § 353.301(a), the word "may" has been changed to "must" to make clear that an agency must place an employee who fully recovers from a compensable injury within 1 year, even if it means placing the person in a different location. Also, § 353.301(d) makes clear that partially recovered employees are entitled to restoration rights only in the local commuting area, not agencywide. (This provision was inadvertently omitted from the final regulations published in the **Federal Register** on January 13, 1995, that incorporated into the regulations various staffing provisions previously found only in the Federal Personnel Manual.)

These interim regulations also implement provisions that expand on the coverage of the affected employees under the Federal Employees' Group Life Insurance (FEGLI) Program and the Federal Employees Health Benefits (FEHB) Program. Both the FEGLI and the FEHB regulations are amended to show that employees who separate to perform military service under the provisions of this Act are considered to be employees in nonpay status. The FEHB regulations are further amended to show that FEHB coverage may continue for up to 18 months after the employee enters military service.

**DATES:** Effective: September 1, 1995. Comments must be received on or before November 30, 1995.

**ADDRESS:** Send or deliver comments to: Leonard R. Klein, Associate Director for Employment, U.S. Office of Personnel Management, 1900 E Street, NW., Washington, DC 20415.

**FOR FURTHER INFORMATION CONTACT:** For part 353: Raleigh M. Neville, (202) 606-

0830. For parts 870 and 890: Margaret Sears (202) 606-0004.

**SUPPLEMENTARY INFORMATION:** The job rights of employees who leave their employment to perform military duty have been protected under the Veterans' Reemployment Rights Act (chapter 43 of title 38, United States Code) since 1940. However, this law had become a confusing patchwork of statutory amendments, which, over the years, had been interpreted by over one thousand different (and sometimes conflicting) court decisions. It became increasingly difficult for employers and employees to understand their respective rights and responsibilities.

Thus, on October 13, 1994, President Clinton signed into law the new Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), Pub. L. 103-353. The new law completely rewrites the existing provisions of title 38, United States Code, governing the rights of employees who perform military duty and makes many substantive changes that will affect employees, agencies, and OPM.

Among the important changes made by the new law are the following:

—Coverage is broader. USERRA covers persons who perform duty in the "uniformed services." (Under the old law, coverage was limited to the "armed forces.") It also covers all employees except those serving in positions where there is "no reasonable expectation that employment will continue indefinitely or for a reasonable period." (The old law specifically excluded temporary service.) The interim regulations provide that all employees are covered. However, an employee on a time-limited appointment who enters uniformed service serves out any remaining unexpired portion of the appointment upon his or her return.

—Intelligence agencies are treated differently under the law. Although employees in these agencies (CIA, FBI, NSA, etc.) have substantially the same rights as other Federal employees under the law, they are not subject to OPM's regulations and do not have the same appeal rights as other employees.

—There is a 5-year cumulative total on uniformed service. For the first time, the law makes clear that it is intended to protect "noncareer" service and establishes a 5-year cumulative total on uniformed service. (Under the interpretations applied to the old law, a Federal employee could be absent on military duty for up to 4 years at a time and there was no cumulative limit.) However, there are important exceptions to the 5-year limit. These include initial enlistments lasting more

than 5 years, periodic training duty, and involuntary active duty extensions and recalls. The new law expressly provides that an employee's job protections do not depend on the timing, frequency, or duration of uniformed service.

—Enhanced protections for disabled veterans. Agencies must make reasonable efforts to accommodate the disability. Servicemembers convalescing from injuries received during service now have up to 2 years to return to their jobs (as opposed to 1 year under the old law).

—New skills training required for some veterans. As under the old law, USERRA provides that returning servicemembers be reemployed in the job they would have attained had they not been absent for military service (the longstanding "escalator" principle). However, the new law also requires that reasonable efforts be made (such as training or retraining) that would enable returning servicemembers to refresh or upgrade their skills so that they might qualify for reemployment.

—The position to which the person has restoration rights is now determined by how long the employee has been gone. If the period of military duty is less than 91 days, the employee is entitled to the position he or she would have attained had the absence not occurred. If the military duty lasts more than 90 days, the person's entitlement is essentially the same except that he or she may be placed in an equivalent position. (Under the old law, restoration rights were based largely on the kind of military duty performed, for example, active duty, active duty for training, inactive duty, etc.)

—Similarly, the length of time an employee has to report back for duty following uniformed service is now determined by how long he or she has been gone. If the absence was for less than 31 days, the employee must return at the beginning of the next regularly scheduled work period on the first full day after release from service, taking account safe travel home plus an 8 hour rest period. For service of more than 30 days but less than 181 days, the employee must submit an application for restoration within 14 days of release from service. For service of more than 180 days, an application for restoration must be submitted within 90 days of release from service. Failure to return within these time limits does not mean that restoration rights are forfeited; it only means the agency can take whatever disciplinary action it would normally take for unexcused absences. (Under the old law, the length of time an employee had to apply for restoration

was determined by the type of military duty performed.)

—Notice requirement. For the first time, the law requires that servicemembers provide advance written or verbal notice to their agencies for all military service. (Under the old law, notice was required only for training duty.)

—Appeal rights have changed. Federal employees and applicants with complaints under the new law may now seek assistance from the Department of Labor's Veterans' Employment and Training Service (VETS). VETS will attempt to informally resolve any disputes with the agency over military duty. If informal resolution fails, Labor will refer the case to the Office of the Special Counsel which is authorized to represent the employee before the Merit Systems Protection Board. Alternatively, an employee may still elect to appeal directly to MSPB and by-pass Labor and the Special Counsel.

—Special placement provisions are mandated for certain returning employees when their former agencies are unable to reemploy them. The new law requires OPM to place in the executive branch the following categories of employees when their former agencies determine that it is "impossible or unreasonable" to reemploy them:

- (1) Executive branch employees whose agencies no longer exist and the functions have not been transferred, or it is otherwise impossible or unreasonable to reemploy the person;
- (2) Legislative and judicial branch employees;
- (3) National Guard technicians; and
- (4) Employees of the intelligence agencies.

The interim regulations specify how this will be carried out.

—Status while absent. While on duty with the uniformed services, an employee is considered to be on a leave of absence (leave without pay) unless the employee elects to use other leave.

—Nondiscrimination. USERRA broadens the nondiscrimination provisions of the old law and expressly forbids any discrimination in employment or proportion because of uniformed service.

—Enhanced health and pension plan coverage. Employees performing military duty of more than 30 days may elect to continue their health benefit coverage for up to 18 months. Also under USERRA, to receive retirement credit for military service, employees under the Federal Employees Retirement System (FERS) are required to pay only what they would have paid had they not gone on military duty.

USERRA also expands retirement coverage to include all full-time National Guard duty if that duty interrupts creditable civilian service and is followed by reemployment that occurs after August 1, 1990. (Only National Guard service performed for the U.S. was covered under the old law.)

Under 38 U.S.C. 4316, employee benefits, other than health benefits, continue for employees covered by this Act in the same way as they do for other employees who are on leave without pay. Employees who leave their jobs to enter the uniformed services are considered to be employees on leave without pay so long as they meet the requirements for reemployment under this Act. Under the Federal Employees' Group Life Insurance (FEGLI) Program, employees may continue their life insurance coverage for up to 12 months in nonpay status at no cost to the employee. Therefore, the interim regulations amend 5 CFR 870.502 to show that an employee who separates from Federal service to enter the uniformed services is considered to be an employee in nonpay status for so long as the employee remains eligible for benefits under 38 U.S.C. 4316. As a result, life insurance coverage continues for up to one year for employees who do not separate, but go on military furloughs (nonpay status). For those who actually separate from their Federal jobs to enter the uniformed services, life insurance coverage continues for up to 12 months or until a date that is 90 days after the service with the uniformed services ends, whichever is earlier.

Under 38 U.S.C. 4317, employees who are covered by an employers' group health plan and who enter the uniformed services may elect to continue their coverage for up to 18 months after the date the absence to serve in the uniformed services begins. If the service continues for more than 30 days, the employee can be charged up to 102 percent of the premium. The Federal Employees Health Benefits (FEHB) law provides for continued coverage for up to 12 months for employees in leave without pay status. FEHB regulations provide that these employees may pay their respective shares of the premium; however, an employee may choose to incur a debt and postpone payment until he or she returns to pay and duty status. The employing agency must pay the Government contribution on a current basis. Therefore, for the first 12-months, employees entitled to benefits under 38 U.S.C. 4317 are charged only the employee share of the premium.

The interim regulations amend §§ 890.303 and 890.304 to provide that

the enrollment of an employee who enters on military furlough (nonpay status) may continue an additional 6 months after the coverage would otherwise stop due to the expiration of 365 days in nonpay status if the employee's eligibility for benefits under 38 U.S.C. 4317 continues. The enrollment of an employee who separates to enter the uniformed services may continue for up to 18 months if the employee's eligibility for benefits under 38 U.S.C. 4317 continues. (Eligibility for benefits under 38 U.S.C. 4317 ends the earlier of 18 months after the date the employee's absence due to service in the uniformed services began or 90 days after the service ends.) Employees on military furlough or in nonpay status to serve in the uniformed services on the date of enactment of Pub. L. 103-353, October 13, 1994, are also entitled to continued coverage under 38 U.S.C. 4317 for the balance of the 18-month period after their absence to enter the uniformed services began. An enrollment that had already terminated due to the expiration of 365 days in nonpay status may be reinstated for the balance of the 18-month period.

The interim regulations also amend 5 CFR 890.502(g) to provide that employees whose enrollment continues beyond 12 months in nonpay status because of their eligibility for benefits under 38 U.S.C. 4317 must pay 102 percent of the premium (the employee share plus the Government share, plus 2 percent of the total). In addition, the interim regulations amend the provision for waiving the employee share of the health benefits premium for employees who enter the uniformed services in support of Operations Desert Shield and/or Desert Storm by limiting its application to those who enter before the effective date of these interim regulations.

—Enhanced thrift savings plan coverage. The new law allows employees to make up contributions to the thrift savings plan missed because of military duty. Under the old law, employees who went on military duty were ineligible to make contributions to the thrift savings plan. (The Federal Retirement Thrift Investment Board is issuing regulations on this aspect of the law.)

—Effective date. The new law applies to restorations effected on or after December 12, 1994.

#### **Waiver of Notice of Proposed Rulemaking**

Pursuant to 5 U.S.C. 553(b)(3)(B), I find that good cause exists for waiving the general notice of proposed

rulemaking. Specifically, the law which these regulations implement was enacted in October 1994 and became fully effective as of December 12, 1994.

#### **Regulatory Flexibility Act**

I certify that this regulation will not have a significant impact on a substantial number of small entities because it pertains only to Federal employees and agencies.

#### **List of Subjects**

##### *5 CFR Part 353*

Administrative practice and procedure, Government employees.

##### *5 CFR Part 870*

Administrative practice and procedure, Government employees, Hostages, Iraq, Kuwait, Lebanon, Life insurance, Retirement.

##### *5 CFR Part 890*

Administrative practice and procedure, Government employees, Health facilities, Health insurance, Health professions, Hostages, Iraq, Kuwait, Lebanon, Reporting and recordkeeping requirements, Retirement.

Office of Personnel Management,

**James B. King,**

*Director.*

Accordingly, OPM is amending parts 353, 870, and 890 as follows:

1. Part 353 is revised to read as follows:

#### **PART 353—RESTORATION TO DUTY FROM UNIFORMED SERVICE OR COMPENSABLE INJURY**

##### **Subpart A—General Provisions**

Sec.

- 353.101 Scope.
- 353.102 Definitions.
- 353.103 Persons covered.
- 353.104 Notification of rights and obligations.
- 353.105 Maintenance of records.
- 353.106 Personnel actions during employee's absence.
- 353.107 Service credit upon reemployment.
- 353.108 Effect of performance and conduct on restoration rights.
- 353.109 Transfer of function to another agency.
- 353.110 OPM placement assistance.

##### **Subpart B—Uniformed Service**

- 353.201 Introduction.
- 353.202 Discrimination and acts of reprisal prohibited.
- 353.203 Length of service.
- 353.204 Notice to employer.
- 353.205 Return to duty and application for reemployment.
- 353.206 Documentation upon return.
- 353.207 Position to which restored.

- 353.208 Use of paid leave during uniformed service.  
 353.209 Retention protections.  
 353.210 Department of Labor assistance to applicants and employees.  
 353.211 Appeal rights.

#### Subpart C—Compensable Injury

- 353.301 Restoration rights.  
 353.302 Retention protections.  
 353.303 Restoration rights of TAPER employees.  
 353.304 Appeals to the Merit Systems Protection Board.

**Authority:** 38 U.S.C. 4301 et. seq., and 5 U.S.C. 8151.

#### Subpart A—General Provisions

##### § 353.101 Scope.

The rights and obligations of employees and agencies in connection with leaves of absence or restoration to duty following uniformed service under 38 U.S.C. 4301 et. seq., and restoration under 5 U.S.C. 8151 for employees who sustain compensable injuries, are subject to the provisions of this part. Subpart A covers those provisions that are common to both of the above groups of employees. Subpart B deals with provisions that apply just to uniformed service and subpart C covers provisions that pertain just to injured employees.

##### § 353.102 Definitions.

In this part:

*Agency* means.

(1) With respect to restoration following a compensable injury, any department, independent establishment, agency, or corporation in the executive branch, including the U.S. Postal Service and the Postal Rate Commission, and any agency in the legislative or judicial branch; and

(2) With respect to uniformed service, an executive agency as defined in 5 U.S.C. 105 (other than an intelligence agency referred to in 5 U.S.C. 2302(a)(2)(C)(ii), including the U.S. Postal Service and Postal Rate Commission, a nonappropriated fund instrumentality of the United States, or a military department as defined in 5 U.S.C. 102. In the case of a National Guard technician employed under 32 U.S.C. 709, the employing agency is the adjutant general of the State in which the technician is employed.

*Fully recovered* means compensation payments have been terminated on the basis that the employee is able to perform all the duties of the position he or she left or an equivalent one.

*Injury* means a compensable injury sustained under the provisions of 5 U.S.C. chapter 81, subchapter 1, and includes, in addition to accidental injury, a disease proximately caused by the employment.

*Leave of absence* means military leave, annual leave, without pay (LWOP), furlough, continuation of pay, or any combination of these.

*Military leave* means paid leave provided to Reservists and members of the National Guard under 5 U.S.C. 6323.

*Notice* means any written or verbal notification of an obligation or intention to perform service in the uniformed services provided to an agency by the employee performing the service or by the uniformed service in which the service is to be performed.

*Partially recovered* means an injured employee, though not ready to resume the full range of his or her regular duties, has recovered sufficiently to return to part-time or light duty or to another position with less demanding physical requirements. Ordinarily, it is expected that a partially recovered employee will fully recover eventually.

*Physically disqualified* means that:

(1)(i) For medical reasons the employee is unable to perform the duties of the position formerly held or an equivalent one, or

(ii) There is a medical reason to restrict the individual from some or all essential duties because of possible incapacitation (for example, a seizure) or because of risk of health impairment (such as further exposure to a toxic substance for an individual who has already shown the effects of such exposure).

(2) The condition is considered permanent with little likelihood for improvement or recovery.

*Reasonable efforts* in the case of actions required by an agency for a person returning from uniformed service means actions, including training, that do not place an undue hardship on the agency.

*Service in the uniformed services* means the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, and a period for which a person is absent from employment for the purpose of examination to determine fitness to perform such duty.

*Status* means the particular attributes of a specific position. This includes the rank or responsibility of the position, its duties, working conditions, pay, tenure, and seniority.

*Undue hardship* means actions taken by an agency requiring significant difficulty or expense, when considered in light of—

(1) The nature and cost of actions needed under this part;

(2) The overall financial resources of the facility involved in taking the action; the number of persons employed at the facility; the effect on expenses and resources, or the impact otherwise of the action on the operation of the facility; and

(3) The overall size of the agency with respect to the number of employees, the number, type, and location of its facilities and type of operations, including composition, structure, and functions of the work force.

*Uniformed services* means the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the Commissioned Corps of the Public Health Service, and any other category of persons designated by the President in time of war or emergency.

##### § 353.103 Persons covered.

(a) The provisions of this part pertaining to service in the uniformed services cover each agency employee who enters into such service. However, an employee serving under a time-limited appointment completes any unexpired portion of his or her appointment upon return from uniformed service.

(b) The provisions of this part concerning employee injury cover a civil officer or employee in any branch of the Government of the United States, including an officer or employee of an instrumentally wholly owned by the United States, who was separated or furloughed from an appointment without time limitation, or from a temporary appointment pending establishment of a register (TAPER) as a result of a compensable injury; but do not include—

(1) A commissioned officer of the Regular Corps of the Public Health Service;

(2) A commissioned officer of the Reserve Corps of the Public Health Service on active duty; or

(3) A commissioned officer of the National Oceanic and Atmospheric Administration.

##### § 353.104 Notification of rights and obligations.

When an agency separates, grants a leave of absence, restores or fails to restore an employee because of uniformed service or compensable injury, it shall notify the employee of his or her rights, obligations, and benefits relating to Government employment, including any appeal and grievance rights. However, regardless of notification, an employee is still required to exercise due diligence in

ascertaining his or her rights, and to seek reemployment within the time limits provided by chapter 43 of title 38, United States Code, for restoration after uniformed service, or as soon as he or she is able after a compensable injury.

**§ 353.105 Maintenance of records.**

Each agency shall identify the position vacated by an employee who is injured or leaves to enter uniformed service. It shall also maintain the necessary records to ensure that all such employees are preserved the rights and benefits granted by law and this part.

**§ 353.106 Personnel actions during employee's absence.**

(a) An employee absent because of service in the uniformed services is to be carried on leave without pay unless the employee elects to use other leave or freely and knowingly provides written notice of intent not to return to a position of employment with the agency, in which case the employee can be separated. (**Note:** A separation under this provision affects only the employee's seniority while gone; it does not affect his or her restoration rights.)

(b) An employee absent because of compensable injury may be carried on leave without pay or separated unless the employee elects to use sick or annual leave.

(c) Agency promotion plans must provide a mechanism by which employees who are absent because of compensable injury or uniformed service can be considered for promotion.

**§ 353.107 Service credit upon reemployment.**

Upon reemployment, an employee absent because of uniformed service or compensable injury is generally entitled to be treated as though he or she had never left. This means that a person who is reemployed following uniformed service or full recovery from compensable injury receives credit for the entire period of the absence for purposes of rights and benefits based upon seniority and length of service, including within-grade increases, career tenure, completion of probation, leave rate accrual, and severance pay.

**§ 353.108 Effect of performance and conduct on restoration rights.**

The laws covered by this part do not permit an agency to circumvent the protections afforded by other laws to employees who face the involuntary loss of their positions. Thus, an employee may not be denied restoration rights because of poor performance or conduct that occurred prior to the employee's departure for compensable

injury or uniformed service. However, separation for cause that is substantially unrelated to the injury or to the performance of uniformed service negates restoration rights. Additionally, if during the period of injury or uniformed service the employee's conduct is such that it would disqualify him or her for employment under OPM or agency regulations, restoration rights may be denied.

**§ 353.109 Transfer of function to another agency.**

If the function of an employee absent because of uniformed service or compensable injury is transferred to another agency, and if the employee would have been transferred with the function under part 351 of this chapter had he or she not been absent, the employee is entitled to be placed in a position in the gaining agency that is equivalent to the one he or she left. It shall also assume the obligation to restore the employee in accordance with law and this part.

**§ 353.110 OPM placement assistance.**

(a) *Employee returning from uniformed service.* (1) OPM will offer placement in the executive branch to the following categories of employees upon notification by the agency and application by the employee: (Such notification should be sent to the Associate Director for Employment, OPM, 1900 E Street, NW., Washington, DC 20415.)

(i) Executive branch employees (other than an employee of an intelligence agency) when *OPM determines* that:

(A) their agencies no longer exist and the functions have not been transferred, or;

(B) it is otherwise impossible or unreasonable for their former agencies to place them;

(ii) Legislative and judicial branch employees when *their employers* determine that it is impossible or unreasonable to reemploy them;

(iii) National Guard technicians when *the Adjutant General of a State* determines that it is impossible or unreasonable to reemploy them; and

(iv) Employees of the intelligence agencies (defined in 5 U.S.C. 2302(a)(2)(C)(ii)) when *their agencies* determine that it is impossible or unreasonable to reemploy them.

(2) OPM will determine if a vacant position equivalent (in terms of pay, grade, and status) to the one time the individual left exists, for which the individual is qualified, in the commuting area in which he or she was employed immediately before entering the uniformed services. If such a

vacancy exists, OPM will order the agency to place the individual. If no such position is available, the individual may elect to be placed in a lesser position in the commuting area, or OPM will attempt to place the individual in an equivalent position in another geographic location determined by OPM. If the individual declines an offer of equivalent employment, he or she has no further restoration rights.

(b) *Employee returning from compensable injury.* OPM will provide placement assistance to an employee with restoration rights in the executive, legislative, or judicial branches who cannot be placed in his or her former agency and who either has competitive status or is eligible to acquire it under 5 U.S.C. 3304(C). If the employee's agency is abolished and its functions are not transferred, or it is not possible for the employee to be restored in his or her former agency, OPM will provide placement assistance by enrolling the employee in OPM's Interagency Placement Program (or its successor) under part 330 of this chapter. This paragraph does not apply to an employee serving under a temporary appointment pending establishment of a register (TAPER).

**Subpart B—Uniformed Service**

**§ 353.201 Introduction.**

The Uniformed Services Employment and Reemployment Rights Act of 1994 revised and strengthened the existing Veterans' Reemployment Rights law, made the Department of Labor responsible for investigating employee complaints, required OPM to place certain returning employees in other agencies, established a separate restoration rights program for employees of the intelligence agencies, and altered the appeals rights process. The new law applies to persons exercising restoration rights on or after December 12, 1994.

**§ 353.202 Discrimination and acts of reprisal prohibited.**

A person who seeks or holds a position in the Executive branch may not be denied hiring, retention in employment, or any other incident or advantage of employment because of any application, membership, or service in the uniformed services. Furthermore, an agency may not take any reprisal against an employee for taking any action to enforce a protection, assist or participate in an investigation, or exercise any right provided for under chapter 43 of title 38, United States Code.

**§ 353.203 Length of service.**

(a) *Counting service after the effective date of USERRA (12/12/94).* To be entitled to restoration rights under this part, cumulative service in the uniformed services while employed by the Federal Government may not exceed 5 years. However, the 5-year period does not include any service—

(1) That is required beyond 5 years to complete an initial period of obligated service;

(2) During which the individual was unable to obtain orders releasing him or her from service in the uniformed services before expiration of the 5-year period, and such inability was through no fault of the individual;

(3) Performed as required pursuant to 10 U.S.C. 10147, under 32 U.S.C. 502(a) or 503, or to fulfill additional training requirements determined and certified in writing by the Secretary of the military department concerned to be necessary for professional development or for completion of skill training or retraining;

(4) Performed by a member of a uniformed service who is:

(i) Ordered to or retained on active duty under sections 12301(a), 12301(g), 12302, 12304, 12305, or 688 of title 10, United States Code, or under 14 U.S.C. 331, 332, 359, 360, 367, or 712;

(ii) Ordered to or retrained on active duty (other than for training) under any provision of law during a war or during a national emergency declared by the President or the Congress;

(iii) Ordered to active duty (other than for training) in support, as determined by the Secretary of the military department concerned, of an operational mission for which personnel have been ordered to active duty under 10 U.S.C. 12304;

(iv) Ordered to active duty in support, as determined by the Secretary of the military department concerned, of a critical mission or requirement of the uniformed services, or

(iv) Called into Federal service as a member of the National Guard under chapter 15 or under section 12406 of title 10, United States Code.

(b) *Counting service prior to the effective date of USERRA.* In determining the 5-year total that may not be exceeded for purposes of exercising restoration rights, service performed prior to December 12, 1994, is considered only to the extent that it would have counted under the previous law (the Veterans' Reemployment Rights statute). For example, the service of a National Guard technician who entered on an Active Guard Reserve (AGR) tour under section 502(f) of title 32, United States Code, was not counted toward the

4-year time limit under the previous statute because it was specifically considered active duty for training. However, title 32, section 502(f) AGR service is not exempt from the cumulative time limits allowed under USERRA and service after the effective date counts under USERRA rules. Thus, if a technician was on a 32 U.S.C. 502(f) AGR tour on October 13, 1994, (the date USERRA was signed into law), but exercised restoration rights after December 11, 1994, (the date USERRA became fully effective), AGR service prior to December 12 would not count in computing the 5-year total, but all service beginning with that date would count.

(c) *Nature of Reserve service and resolving conflicts.* An employee who is a member of the Reserve or National Guard has a dual obligation—to the military and to his or her employer. Given the nature of the employee's service obligation, some conflict with job demands is often unavoidable and a good-faith effort on the part of both the employee and the agency is needed to minimize conflict and resolve differences. Some accommodation may be necessary by both parties. Most Reserve component members are required, as a minimum, to participate in drills for 2 days each month and in 2 weeks of active duty for training per year. But some members are required to participate in longer or more frequent training tours. USERRA makes it clear that the timing, frequency, duration, and nature of the duty performed is not an issue so long as the employee gave proper notice, and did not exceed the time limits specified. However, to the extent that the employee has influence upon the timing, frequency, or duration of such training or duty, he or she is expected to use that influence to minimize the burden upon the agency. The employee is expected to provide the agency with as much advance notice as possible whenever military duty or training will interfere with civilian work. When a conflict arises between the Reserve duty and the legitimate needs of the employer, the agency may contact appropriate military authorities to express concern. Where the request would require the employee to be absent from work for an extended period, during times of acute need, or when, in light of previous leaves, the requested leave is cumulatively burdensome, the agency may contact the military commander of the employee's military unit to determine if the military duty could be rescheduled or performed by another member. If the military authorities determine that the military

duty cannot be rescheduled or cancelled, the agency is required to permit the employee to perform his or her military duty.

(d) *Mobilization authority.* By law, members of the Selected Reserve (a component of the Ready Reserve), can be called up under a presidential order for purposes other than training for as long as 270 days. If the President declares a national emergency, the remainder of the Ready Reserve—the Individual Ready Reserve and the Inactive National Guard—may be called up. The Ready Reserve as a whole is subject to as much as 24 consecutive months of active duty in a national emergency declared by the President.

**§ 353.204 Notice to employer.**

To be entitled to restoration rights under this part, an employee (or an appropriate officer of the uniformed service in which service is to be performed) must give the employer advance written or verbal notice of the service except that no notice is required if it is precluded by military necessity or, under all relevant circumstances, the giving of notice is otherwise impossible or unreasonable.

**§ 353.205 Return to duty and application for reemployment.**

Periods allowed for return to duty are based on the length of time the person was performing service in the uniformed services, as follows:

(a) An employee whose uniformed service was for *less than 31 days*, or who was absent for the purpose of an examination to determine fitness for the uniformed services, is required to report back to work not later than the beginning of the first regularly scheduled work day on the first full calendar day following completion of the period of service and the expiration of 8 hours after a period allowing for the safe transportation of the employee from the place of service to the employee's residence, or as soon as possible after the expiration of the 8-hour period if reporting within the above period is impossible or unreasonable through no fault of the employee.

(b) If the service was for *more than 30 but less than 181 days*, the employee must submit an application for reemployment with the agency not later than 14 days after completing the period of service. (If submitting the application is impossible or unreasonable through no fault of the individual, it must be submitted the next full calendar day when it becomes possible to do so.)

(c) If the period of service was for *more than 180 days*, the employee must submit an application for reemployment

not later than 90 days after completing the period of service.

(d) An employee who is hospitalized or convalescing from an injury or illness incurred in, or aggravated during uniformed service is required to report for duty at the end of the period that is necessary for the person to recover, based on the length of service as discussed in paragraphs (a), (b), and (c) of this section, except that the period of recovery may not exceed 2 years (extended by the minimum time required to accommodate circumstances beyond the employee's control which make reporting within the period specified impossible or unreasonable).

(e) A person who does not report within the time limits specified does not automatically forfeit restoration rights, but, rather, is subject to whatever policy and disciplinary action the agency would normally apply for a similar absence without authorization.

#### § 353.206 Documentation upon return.

Upon request, a returning employee who was absent for more than 30 days, or was hospitalized or convalescing from an injury or illness incurred in or aggravated during the performance of service in the uniformed services, must provide the agency with documentation that establishes the timeliness of the application for reemployment, and length and character of service. If documentation is unavailable, the agency must restore the employee until documentation becomes available.

#### § 353.207 Position to which restored.

(a) *Timing.* An employee returning from the uniformed services following an absence of more than 30 days is entitled to be restored as soon as possible after making application, but in no event later than 30 days after receipt of the application by the agency.

(b) *Nondisabled.* If the employee's uniformed service was for less than 91 days, he or she must be employed in the position for which qualified that he or she would have attained if continuously employed. If not qualified for this position after reasonable efforts by the agency to qualify the employee, he or she is entitled to be placed in the position he or she left. For service of 91 days or more, the agency has the option of placing the employee in a position of like seniority, status, and pay. (**Note:** Upon reemployment, a term employee completes the unexpired portion of his or her original appointment.) If unqualified (for any reason other than disability incurred in or aggravated during service in the uniformed services) after reasonable efforts by the agency to qualify the employee for such

position or the position the employee left, he or she must be restored to any other position of lesser status and pay for which qualified, with full seniority.

(c) *Disabled.* An employee with a disability incurred in or aggravated during uniformed service and who, after reasonable efforts by the agency to accommodate the disability, is entitled to be placed in another position for which qualified that will provide the employee with the same seniority, status, and pay, or the nearest approximation consistent with the circumstances in each case. The agency is not required to reemploy a disabled employee if, after making due efforts to accommodate the disability, such reemployment would impose an undue hardship on the agency.

(d) *Two or more persons entitled to restoration in the same position.* If two or more persons are entitled to restoration in the same position, the one who left the position first has the prior right to restoration in that position. The other employee(s) is entitled to be placed in a position as described in paragraphs (b) and (c) of this section.

(e) *Relationship to an entitlement based on veterans' preference.* An employee's right to restoration under this part does not entitle the person to retention, preference, or displacement rights over any person with a superior claim based on veterans' preference.

#### § 353.208 Use of paid leave during uniformed service.

An employee performing service with the uniformed services must be permitted, upon request, to use any accrued annual leave (or sick leave, if appropriate), or military leave during such service. (Note, however, that under 5 U.S.C. 6323, military leave cannot be used for inactive duty, e.g., drills.)

#### § 353.209 Retention protections.

(a) *During uniformed service.* An employee may not be demoted or separated (other than military separation) while performing duty with the uniformed services except for cause. (Reduction in force is not considered "for cause" under this subpart.) He or she is not a "competing employee" under § 351.404 of this chapter. If the employee's position is abolished during such absence, the agency must reassign the employee to another position of like status, and pay.

(b) *Upon reemployment.* Except in the case of an employee under time-limited appointment who finishes out the unexpired portion of his or her appointment upon reemployment, an employee reemployed under this

subpart may not be discharged, except for cause—

(1) If the period of uniformed service was more than 180 days, within 1 year; and

(2) If the period of uniformed service was more than 30 days, but less than 181 days, within 6 months.

#### § 353.210 Department of Labor assistance to applicants and employees.

USERRA requires the Department of Labor's Veterans' Employment and Training Service (VETS) to provide employment and reemployment assistance to any Federal employee or applicant who requests it. VETS staff will attempt to informally resolve employment disputes brought to them. If informal dispute resolution proves unsuccessful, VETS may ask the Office of the Special Counsel to represent the individual in an appeal before the Merit Systems Protection Board (MSPB).

#### § 353.211 Appeal rights.

An individual who believes an agency has not complied with the provisions of law and this part relating to the employment or reemployment of the person by the agency may—

(a) File a complaint with the Department of Labor, as noted in § 353.210, or

(b) Appeal directly to MSPB if the individual chooses not to file a complaint with the Department of Labor, or is informed by either Labor or the Office of the Special Counsel that they will not pursue to the case.

#### Subpart C—Compensable Injury

##### § 353.301 Restoration rights.

(a) *Fully recovered within 1 year.* An employee who fully recovers from a compensable injury within 1 year from the date eligibility for compensation began (or from the time compensable disability recurs if the recurrence begins after the employee resumes regular full-time employment with the United States), is entitled to be restored immediately and unconditionally to his or her former position or an equivalent one. Although these restoration rights are agencywide, the employee's basic entitlement is to the former position or equivalent in the local commuting area the employee left. If a suitable vacancy does not exist, the employee is entitled to displace an employee occupying a continuing position under temporary appointment or tenure group III. If there is no such position in the local commuting area, the agency must offer the employee a position (as described above) in another location. This paragraph also applies when an injured employee accepts a lower-grade position

in lieu of separation and subsequently fully recovers. A fully recovered employee is expected to return to work immediately upon the cessation of compensation.

(b) *Fully recovered after 1 year.* An employee who separated because of a compensable injury and whose full recovery takes longer than 1 year from the date eligibility for compensation began (or from the time compensable disability recurs if the recurrence begins after the injured employee resumes regular full-time employment with the United States), is entitled to priority consideration, agencywide, for restoration to the position he or she left or an equivalent one provided he or she applies for reappointment within 30 days of the cessation of compensation. Priority consideration is accorded by entering the individual on the agency's reemployment priority list for the competitive service or reemployment list for the excepted service. If the individual cannot be placed in the former commuting area, he or she is entitled to priority consideration for an equivalent position elsewhere in the agency. (See parts 302 and 330 of this chapter for more information on how this may be accomplished for the excepted and competitive services, respectively.) This subpart also applies when an injured employee accepts a lower-graded position in lieu of separation and subsequently fully recovers.

(c) *Physically disqualified.* An individual who is physically disqualified for the former position or equivalent because of a compensable injury, is entitled to be placed in another position for which qualified that will provide the employee with the same status, and pay, or the nearest approximation thereof, consistent with the circumstances in each case. This right is agencywide and applies for a period of 1 year from the date eligibility for compensation begins. After 1 year, the individual is entitled to the rights accorded individuals who fully or partially recover, as applicable.

(d) *Partially recovered.* Agencies must make every effort to restore in the local commuting area, according to the circumstances in each case, an individual who has partially recovered from a compensable injury and who is able to return to limited duty. At a minimum, this would mean treating these employees substantially the same as other handicapped individuals under the Rehabilitation Act of 1973, as amended. (See 29 U.S.C. 791(b) and 794.) If the individual fully recovers, he or she is entitled to be considered for the position held at the time of injury,

or an equivalent one. A partially recovered employee is expected to seek reemployment as soon as he or she is able.

**§ 353.302 Retention protections.**

An injured employee enjoys no special protection in a reduction in force. Separation by reduction in force or for cause while on compensation means the individual has no restoration rights.

**§ 353.303 Restoration rights of TAPER employees.**

An employee serving in the competitive service under a temporary appointment pending establishment of a register (TAPER) under § 316.201 of this chapter (other than an employee serving in a position classified above GS-15), is entitled to be restored to the position he or she left or an equivalent one in the same commuting area.

**§ 353.304 Appeals to the Merit Systems Protection Board.**

(a) Except as provided in paragraphs (b) and (c) of this section, an injured employee or former employee of an agency in the executive branch (including the U.S. Postal Service and the Postal Rate Commission) may appeal to the MSPB an agency's failure to restore, improper restoration, or failure to return an employee following a leave of absence. All appeals must be submitted in accordance with MSPB's regulations.

(b) An individual who fully recovers from a compensable injury more than 1 year after compensation begins may appeal to MSPB as provided for in parts 302 and 330 of this chapter for excepted and competitive service employees, respectively.

(c) An individual who is partially recovered from a compensable injury may appeal to MSPB for a determination of whether the agency is acting arbitrarily and capriciously in denying restoration. Upon reemployment, a partially recovered employee may also appeal the agency's failure to credit time spent on compensation for purposes of rights and benefits based upon length of service.

**PART 870—BASIC LIFE INSURANCE**

2. The authority citation for part 870 continues to read as follows:

**Authority:** 5 U.S.C. 8716; section 870.202(c) also issued under 5 U.S.C. 7701(b)(2); subpart J is also issued under section 599C of Pub. L. 101-513, 104 Stat. 2064, as amended.

3. In § 870.501, paragraph (d) is amended by adding a sentence at the end to read as follows:

**§ 870.501 Termination and conversion of insurance coverage.**

\* \* \* \* \*

(d) \* \* \* For the purpose of this paragraph, an individual who is entitled to benefits under part 353 of this chapter is considered to be an employee in nonpay status.

\* \* \* \* \*

**PART 890—FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM**

4. The authority citation for part 890 continues to read as follows:

**Authority:** 5 U.S.C. 8913; section 890.803 also issued under 50 U.S.C. 403p, 22 U.S.C. 4069c and 4069c-1; subpart L also issued under sec. 599C of Pub. L. 101-513, 104 Stat. 2064, as amended.

5. Section 890.303 is amended by adding a new paragraph (i) to read as follows:

**§ 890.303 Continuation of enrollment.**

\* \* \* \* \*

(i) Service in the uniformed services. The enrollment of an individual who separates to enter the uniformed services under conditions that entitle him or her to benefits under part 353 of this chapter may continue for the 18-month period beginning on the date that the absence to serve in the uniformed services begins, provided that the individual continues to be entitled to benefits under part 353 of this chapter. The enrollment of an employee who enters on military furlough or is placed in nonpay status to serve in the uniformed services may continue for the 18-month period beginning on the date that the absence to serve in the uniformed services begins, provided that the employee continues to be entitled to benefits under part 353 of this chapter. An employee in nonpay status is entitled to continued coverage under paragraph (e) of this section if the employee's entitlement to benefits under part 353 of this chapter ends before the expiration of 365 days in nonpay status. The enrollment of an employee who is on military furlough or in nonpay status in order to serve in the uniformed services on October 13, 1994, may continue for the 18-month period beginning on the date that the absence to serve in the uniformed services began, provided that the employee continues to be entitled to continued coverage under part 353 of this chapter. If the enrollment of such an employee had terminated due to the expiration of 365 days in nonpay status, it may be reinstated for the remainder of the 18-month period beginning on the date that the absence to serve in the uniformed services began, provided that the



employee continues to be entitled to continued coverage under part 353 of this chapter.

6. In § 890.304 paragraph (a)(1) is amended by revising paragraph (a)(1)(vi) and adding two new paragraphs (a)(1)(vii) and (viii) to read as follows:

**§ 890.304 Termination of enrollment.**

- (a) \* \* \*
- (1) \* \* \*

(vi) The day he or she is separated, furloughed, or placed on leave of absence to serve in the uniformed services under conditions entitling him or her to benefits under part 353 of this chapter for the purpose of performing duty not limited to 30 days or less, provided the employee elects, in writing to have the enrollment so terminated.

(vii) For an employee who separates to serve in the uniformed services under conditions entitling him or her to benefits under part 353 of this chapter for the purpose of performing duty not limited to 30 days or less, the date that is 18 months after the date that the absence to serve in the uniformed services began or the date entitlement to benefits under part 353 of this chapter ends, whichever is earlier, unless the enrollment is terminated under paragraph (a)(1)(vi) of this section.

(viii) For an employee who is furloughed or placed on leave of absence under conditions entitling him or her to benefits under part 353 of this chapter, the date that is 18 months after the date that the absence to serve in the uniformed services began or the date entitlement to benefits under part 353 of this chapter ends, whichever is earlier, but not earlier than the date the enrollment would otherwise terminate under paragraph (a)(1)(v) of this section.

\* \* \* \* \*

7. In § 890.305 paragraph (a) is revised to read as follows:

**§ 890.305 Reinstatement of enrollment after military service.**

(a) The enrollment of an employee or annuitant whose enrollment was terminated under § 890.304(a)(1)(vi), (vii) or (viii) or § 890.304(b)(4)(iii) is automatically reinstated on the day the employee is restored to a civilian position under the provisions of part 353 of this chapter or on the day the annuitant is separated from the uniformed services, as the case may be.

\* \* \* \* \*

8. In § 890.501 paragraph (e) is revised and two new paragraphs (f) and (g) are added to read as follows:

**§ 890.501 Government contributions.**

\* \* \* \* \*

(e) Except as provided in paragraphs (f) and (g) of this section, the employing office must make a contribution for an employee for each pay period during which the enrollment continues.

(f) Temporary employees enrolled under 5 U.S.C. 8906a must pay the full subscription charge including the Government contribution. Employees with provisional appointments under § 316.403 are not considered to be enrolled under 5 U.S.C. 8906a for the purpose of this paragraph.

(g) The Government contribution for an employee who enters the uniformed services and whose enrollment continues under § 890.303(i) ceases after 365 days in nonpay status.

9. In § 890.502 paragraph (g) is revised to read as follows:

**§ 890.502 Employee withholdings and contributions.**

\* \* \* \* \*

(g) *Uniformed services.* (1) except as provided in paragraph (g)(2) of this section, an employee whose coverage continues under section 890.303(i) is responsible for payment of the employee share of the cost of enrollment for every pay period for which the enrollment continues for the first 365 days of continued coverage as set forth under paragraph (b) of this section. For coverage that continues after 365 days in nonpay status, the employee must pay, on a current basis, the full subscription charge, including both the employee and Government shares, plus an additional 2 percent of the full subscription charge.

(2) Payment of the employee's share of the cost of enrollment is waived for the first 365 days of continued coverage in the case of an employee whose coverage continues under § 890.303(e) following furlough or placement on leave of absence under the provisions of part 353 of this chapter or under § 890.303(i) if the employee was ordered to active duty before September 1, 1995 under section 672, 673b, 674, 675, or 688 of title 10, United States Code, in support of Operation Desert Storm.

\* \* \* \* \*

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**DEPARTMENT OF JUSTICE**

**Immigration and Naturalization Service**

**8 CFR Part 329**

[INS No. 1404-95]

RIN 1115-AC34

**Amendment of Filing Deadline for Naturalization for Philippine Veterans of World War II Based Upon Active Duty Service in the United States Armed Forces During Specified Periods of Hostilities**

**AGENCY:** Immigration and Naturalization Service, Justice.

**ACTION:** Final Rule.

**SUMMARY:** This final rule amends the date previously published in the Federal Register as the final date applications must be received by the Service in order to be considered applications for naturalization under section 405 of the Immigration and Naturalization Act of 1990. This rule is necessary to correct an oversight in the calculation of the filing deadline and to ensure that Philippine veterans of World War II who missed the originally published filing deadline are afforded the opportunity for naturalization under this provision.

**EFFECTIVE DATE:** September 1, 1995.

**FOR FURTHER INFORMATION CONTACT:** W.R. Tillifson, Adjudications Officer, Adjudications Division, Naturalization and Special Projects Branch, Immigration and Naturalization Service, 425 I Street, NW., room 3214, Washington, DC 20536, telephone 202-514-5014.

**SUPPLEMENTARY INFORMATION:** Under current regulations, the final date applications had to be received by the Service in order to be considered under section 405 of the Immigration Act of 1990, Public Law No. 101-649, was February 2, 1995. The correct date should have been February 3, 1995. Accordingly, 8 CFR 329.5 is being amended to reflect the correct final date for filing. Philippine veterans of World War II who failed to file applications on February 2, 1995, but filed applications on February 3, 1995, will be considered for naturalization under section 405 of the Immigration Act of 1990.

The Service's immediate implementation of this rule as a final rule is based on the "good cause" exception found at 5 U.S.C. 553(d)(3). This rule simply corrects the filing deadline for section 405 applications thereby benefitting applicants who were denied consideration for failure to apply by the February 2, 1995, deadline.