



Deputy Chief Management Officer
**ADMINISTRATIVE
INSTRUCTION**

NUMBER 71
May 19, 2015

HRD, WHS

SUBJECT: Reduction in Force

References: See Enclosure 1

1. **PURPOSE.** This administrative instruction (AI) reissues AI 71 (Reference (a)) in accordance with the authority in DoD Directive 5110.04 (Reference (b)) and DoD Instruction (DoDI) 5025.01 (Reference (c)) to implement policy, assign responsibilities, and establish procedures for effecting a reduction in force (RIF).

2. **APPLICABILITY.** This AI:

a. Applies to DoD civilian employees within all organizational entities of the OSD, Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, and the Defense Agencies and DoD Field Activities that are serviced by Washington Headquarters Services (WHS) (referred to in this AI as the WHS-serviced Components).

b. Does not apply to employees in the Senior Executive Service or those covered by the Defense Civilian Intelligence Personnel System or the Acquisition Demonstration Project.

3. **POLICY.** In accordance with part 351 of Title 5, Code of Federal Regulations (Reference (d)) and Volume 351 of DoDI 1400.25 (Reference (e)) it is DoD policy that:

a. The Director of WHS is authorized to approve RIF actions pursuant to part 351 of Reference (c). The approval authority may only be re-delegated when RIF will result in the involuntary separation of fewer than 50 employees or is necessitated by actions of a base realignment and closure, and such a delegation must be in writing and may be moved to the lowest practical level.

b. When conducting a RIF, appropriate actions to mitigate the size of reductions (e.g., Voluntary Early Retirement Authority (VERA) or Voluntary Separation Incentive Payment (VSIP), hiring freezes, termination of temporary employees, reduction in work hours, retraining, and curtailing discretionary spending) will be considered.

c. The scope of competition for RIF purposes includes organizational entities and geographical locations (competitive areas) in which employees compete.

d. For the purpose of this AI, a competitive area is defined as each organizational entity that is assigned to WHS, for administrative support and is geographically located inside the Washington DC Metropolitan area. Separate competitive areas are assigned to those organizational entities whose local commuting area is geographically located outside of the Washington, D.C., metropolitan area.

e. Notification requirements of Volume 351 of Reference (e) must be followed.

4. RESPONSIBILITIES

a. Director, Human Resources Directorate (HRD). Under the authority, direction, and control of the Director, WHS, the Director, HRD:

(1) Recommends actions to mitigate involuntary separation, such as hiring freezes, VERA or VSIP, and management directed reassignments.

(2) Determines retention rights, identifies employees affected by a RIF, and processes the necessary personnel, position, or pay actions.

(3) Maintains the records necessary to determine the retention standing of competing employees.

(4) Identifies the appropriate competitive area and prepares retention registers.

b. WHS-serviced Component Heads. The WHS-serviced Component heads:

(1) Determine which organizations and positions are affected by changes in authorization, mission, and skill requirements.

(2) Minimize the adverse effects of RIF on employees pursuant to Reference (e).

(3) Keep employees informed of RIF plans and actions that affect them.

(4) Prevent the use of RIF solely to remove unsatisfactory employees.

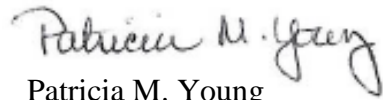
(5) Submit to the Director, HRD, a list of positions to be abolished in a RIF that have been coordinated and cleared in accordance with Reference (e).

(6) Notify WHS-serviced Component security and insider threat personnel immediately upon identifying those employees who will be displaced through RIF procedures.

5. PROCEDURES. See Enclosure 2.

6. RELEASABILITY. **Cleared for public release**. This AI is available on the Internet from the DoD Issuances Website at <http://www.dtic.mil/ehs/directives>.

7. EFFECTIVE DATE. This AI is effective May 19, 2015.



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ENCLOSURE 1

REFERENCES

- (a) Administrative Instruction 71, "Reduction in Force," March 5, 2008 (hereby cancelled)
- (b) DoD Directive 5110.04, "Washington Headquarters Services (WHS)," March 27, 2013
- (c) DoD Instruction 5025.01, "DoD Issuances Program," June 6, 2014, as amended
- (d) Title 5, Code of Federal Regulations
- (e) DoD Instruction 1400.25, "DoD Civilian Personnel Management System," date varies by volume

ENCLOSURE 2

PROCEDURES

1. REQUEST FOR RIF. Submit request for RIF to the Director, HRD, with a list of positions to be abolished (see Table for example).

Table. Sample List of Positions To Be Abolished

| <u>Position Title</u> | <u>Pay Plan</u> | <u>Series</u> | <u>Grade</u> | <u>Organizational Code</u> | <u>OMP#</u> |
|----------------------------|-----------------|---------------|--------------|----------------------------|-------------|
| Human Resources Specialist | GS | 0201 | 13 | 872D23 | 1234 |
| Human Resources Assistant | GS | 0203 | 07 | 872D21 | 5678 |

2. RETENTION REGISTERS. Retention registers group competitive and excepted employees separately by competitive level and, within each competitive level, by group and subgroup.

a. Competing employees (those serving with satisfactory or better performance ratings under appointments not limited to 1 year or less) are classed in groups and subgroups on the basis of tenure of employment and veterans' preference as required by Reference (d).

b. The descending order of retention standing by group is group I, group II, and group III. These groups are described in paragraphs 4a(1) and 4b(1) of this enclosure.

(1) Within each group, the order is subgroup AD, subgroup A, and subgroup B. These subgroups are described in paragraphs 4a(2) and 4b(2) of this enclosure.

(2) Within each subgroup, the order begins with the earliest adjusted service computation date.

3. COMPETITIVE LEVELS. Positions within a competitive area are grouped by:

- a. Grade.
- b. Classification series.
- c. Similar duties.
- d. Qualification requirements.

- e. Pay schedules.
- f. Working conditions.

4. GROUPS. Order of employees on the retention register is based on tenure groups and tenure subgroups in competitive and excepted service.

a. Competitive Service. The following groups and subgroups are applicable to the competitive service:

(1) Tenure Groups. The orders of the three retention tenure groups on the retention register are:

(a) Group I. Includes each career employee who is not serving a probationary period. An employee's tenure may not be changed because he or she is serving a probationary period as a supervisor or manager.

(b) Group II. Includes each career-conditional employee and career employee serving a probationary period.

(c) Group III. Includes each employee serving under a term or similar non-status appointment.

(2) Subgroups. The order of the three retention tenure subgroups on the retention register are:

(a) Subgroup AD. Includes each preference-eligible employee who has a compensable service-connected disability of 30 percent or more.

(b) Subgroup A. Includes each preference-eligible employee not included in subgroup AD.

(c) Subgroup B. Includes each non-preference-eligible employee.

b. Excepted Service. The following groups and subgroups are applicable to the excepted service:

(1) Tenure Groups. The order of the three retention tenure groups on the retention register are:

(a) Group I. Includes each permanent employee who has completed a trial period or is not required to serve a trial period whose appointment carries no restriction, condition, or time limitation.

(b) Group II. Includes each employee serving a trial period.

(c) Group III. Includes each employee not covered in paragraphs 4b(1)(a) or 4b(1)(b) of this enclosure.

(2) Subgroups. Subgroups for excepted employees are the same as those for employees in the competitive service.

5. SERVICE COMPUTATION DATE FOR RIF. Within a subgroup, length of service is the primary basis for ranking employees. The service computation date may be modified based on the average of the last three ratings in a 4-year period, in accordance with Reference (d).

6 ORDER OF RELEASE FROM COMPETITIVE LEVEL IN THE COMPETITIVE SERVICE

a. Employees are released from their competitive level by order of their group and subgroup in inverse order, from low to high, such as group IIIB before IIIA, all group III before group II.

b. When group III employees are separated, they have no further retention rights.

c. Groups I and II competitive service employees begin second-round competition when reached for release from their competitive level.

d. The right of an employee in the competitive service to a position in another competitive level depends on:

(1) The existence of a position occupied by another employee in a lower subgroup whom the affected employee can displace.

(2) The affected employee's qualifications for the other position. When both conditions are met, the employee must be offered that position or one of equal grade and tenure. An employee has no right to a position at a higher grade.

e. When a better offer is not possible, a group I or II competitive service employee may retreat to a position from which or through which he or she was promoted, and which is occupied by an employee with a later service computation date.

(1) During the exercise of retreat rights, a group I or II employee can displace an employee with a lower retention standing in the same subgroup.

(2) Employees are entitled to the best offer possible in a RIF. The best offer is a position that requires no reduction or the least possible reduction in representative rate.

(3) Employees are entitled to only one offer in a RIF. If that offer is declined, the employee may be separated.

(4) Whether an offer is declined or not, if it becomes possible to make a better offer to an employee during the RIF notice period, the better offer will be made. Employees do not get a choice in a RIF offer.

7. ORDER OF RELEASE FROM COMPETITIVE LEVEL IN THE EXCEPTED SERVICE.

When an employee in a competitive level is identified as surplus, the employee who is lowest on the retention register is reached for a RIF. Excepted service employees do not have bump or retreat rights.

8. EMPLOYEE NOTICE. Each employee identified for release from his or her competitive level will receive a written notice at least 60 days before release.

a. The employee's notice must contain:

(1) The reason for the action.

(2) The specific action intended.

(3) The effective date of that action.

(4) The employee's competitive area, competitive level, subgroup, service computation date, and the three most recent annual performance ratings of record received in the last 4 years.

(5) The location where the retention regulations and other RIF documents may be viewed.

(6) An explanation of why any lower-standing employee is retained in his or her competitive level, if applicable.

(7) A notice of appeal rights to the Merit Systems Protection Board (MSPB) or a right to grieve under a negotiated agreement, as applicable; the time limits for MSPB appeal or grievance; and where to send the appeal or grievance.

b. Generally, employees will be kept in duty status during the notice period. For employees separated outside the continental United States who are entitled to return transportation, the travel time may be counted as all or part of the notice period.

9. RIGHTS AND BENEFITS. Employees are eligible for the following rights and benefits:

a. An employee identified for RIF action may: elect an immediate retirement annuity if he or she is age 50 and has at least 20 years of creditable service or, regardless of age, has 25 years of creditable service of which at least 5 years is civilian service. For Civil Service Retirement System employees, the annuity will be reduced by 2 percent for each full year the employee is

under age 55. To be eligible, the employee must not have declined a reasonable offer for which qualified. A reasonable offer is a position:

- (1) In the employee's commuting area (unless serving under a mobility agreement).
- (2) Of the same tenure and work schedule.
- (3) Not more than two grades below the employee's current grade or pay level.

b. An employee who is changed to a lower grade by a RIF action is entitled to retained grade if he or she has held a higher grade position for at least 52 calendar weeks. The employee's rate of basic pay must be set in accordance with section 536.206 of Reference (d). Employees who do not meet this requirement may be entitled to pay retention.

c. Basic and optional life insurance coverage terminates as of the date of separation. However, employees will have an automatic temporary extension of coverage for 31 days after life insurance terminates. This temporary extension of coverage does not include accidental death or dismemberment. The temporary continuation of coverage is granted to give an employee an opportunity to convert to an individual policy without evidence of insurability.

d. Health benefits terminate on the last day of the pay period in which separation occurs. The employee has an automatic 31-day extension of coverage. The employee is eligible to enroll in temporary continuation of coverage during the 31-day period or can convert to an individual plan.

10. PLACEMENT ASSISTANCE PROGRAMS. Placement assistance is provided by:

- a. Maintaining eligible employees for 2 years on the reemployment priority lists.
- b. Registering employees in the DoD Priority Placement Program as required by Volume 1800 of Reference (e).
- c. Providing placement assistance to competitive service employees in tenure groups I and II who received a specific notice of separation by RIF through the Interagency Career Transition Assistance Plan as required in subpart G of part 330 of Reference (d). This program provides employees with consideration for vacant positions in other federal agencies in the local commuting area.

11. APPEALS. An employee who has been furloughed for more than 30 days, separated, or demoted by RIF and who believes that RIF procedures have not been applied properly may appeal the action to the MSPB. This appeal must be in writing and submitted to the appropriate office of the MSPB within 30 calendar days after the effective date of the action.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

| | |
|------|--|
| AI | administrative instruction |
| DoDI | DoD Instruction |
| HRD | Human Resources Directorate |
| MSPB | Merit Systems Protection Board |
| RIF | reduction in force |
| VERA | Voluntary Early Retirement Authority |
| VSIP | Voluntary Separation Incentive Payment |
| WHS | Washington Headquarters Services |

PART II. DEFINITIONS

These terms and their definitions are for the purpose of this AI.

competitive area. Organizational entities and geographic locations in which employees compete through RIF procedures.

competitive level. All positions in a competitive area that are in the same grade (or occupational level), classification series, and with similar duties and qualification requirements, pay schedules, and working conditions.

grade retention. Entitles an employee to retain for 2 years, for pay and benefits purposes, the grade of the position from which he or she was reduced. Grade retention will continue for up to 2 years or until a terminating event occurs as defined in subpart B of part 536 of Reference (c).

representative rate. The fourth step of the grade for a position subject to the General Schedule; the prevailing rate for a position under the wage-board system; and for all other positions the rate designated by the agency as representative of the position.