

DEPARTMENT OF DEFENSE



Defense Civilian Personnel Advisory Service



# PORTABILITY OF BENEFITS REFERENCE GUIDE

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For Moves between Civil Service  
and Nonappropriated Fund  
Employment Systems



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## **SECTION 1: INTRODUCTION**

### **1.1. PURPOSE.**

a. This guide provides a summary of laws and regulations applicable to employee movement between the appropriated fund (APF) civil service and DoD nonappropriated fund (NAF) employment systems. It provides guidance for DoD APF civil service and NAF civilian human resources offices (HROs) to use in processing appointments, portability of benefits elections, separations, and retirements. It is an adjunct to the public laws, DoD policy, and relevant Office of Personnel Management (OPM) regulations and benefits administration letters (BALs).

b. The procedures outlined in this guide cover the benefit portability situations that typically occur when an employee moves between the civil service and DoD NAF employment systems. However, this guide is not all-inclusive. DoD Component HRO staff may encounter some special situations that require assistance from the Defense Civilian Personnel Advisory Service (DCPAS), Human Resources Operational Programs and Advisory Services (HROPS).

### **1.2. BACKGROUND.**

a. DoD NAF employees work in military exchanges and morale, welfare, and recreation programs, and are paid from funds generated by those activities. NAF employees work in a wide variety of jobs, including sales clerks, child caregivers, club managers, laborers, recreation assistants, accounting technicians, and senior executives.

b. The Secretary of Defense has discretionary authority over NAF personnel policies covering employee benefits, classification, leave, staffing, workforce relations, and white-collar pay. DoD personnel policy covering NAF employees is contained in DoD Instruction 1400.25, "DoD Civilian Personnel Management System."

c. The six primary DoD NAF employers are the Department of the Army, the Department of the Air Force, the U.S. Marine Corps, the Navy Exchange Service Command (NEXCOM), the Commander, Navy Installations Command (CNIC), and the Army and Air Force Exchange Service (AAFES).

d. NAF employee benefits, including retirement, health, and life insurance coverage, are different from civil service employee benefit programs. A DoD-wide NAF health benefits program covers all eligible DoD NAF employees, regardless of their NAF employer. Other benefit programs are Component-specific. Each of the six primary NAF employers has separate retirement plans.

e. With certain exceptions, NAF employment is not considered to be Federal service for purposes of laws administered by OPM. Unless specifically provided by law, NAF service is not creditable for purposes of civil service benefits. Service in an APF civil service position is not creditable for purposes of DoD NAF benefits unless DoD policy provides such credit.

f. NAF workforce relations rules and policy differ from those covering APF civil service employees. NAF employees are covered by the labor relations provisions of Title 5 United States Code (U.S.C.), but are not covered by civil service administrative appeals procedures. OPM's civil service Reduction-in-Force (RIF) procedures do not apply to NAF employees. If there is a DoD NAF workforce reduction or readjustment, the DoD NAF Business-Based Action (BBA) procedures published in DoDI 1400.25, Volume 1471, apply to eligible NAF employees. APF civil service RIF and NAF BBA actions and procedures are completely separate from one another. Employees affected by workforce reductions are covered by the rules applicable to their current permanent position.

g. The differences between the APF civil service system and the NAF employment system, particularly in the area of retirement benefits, can cause employees to lose service credit when they move between civil service and NAF positions. Four laws prevent or limit such loss by providing for portability of benefits between NAF and civil service positions. Each of the four laws contain different eligibility criteria, benefit provisions, and application dates.

(1) The Nonappropriated Fund Instrumentalities (NAFI) Employees' Retirement Credit Act of 1986, Public Law 99-638, provides Civil Service Retirement System (CSRS) credit for certain DoD NAF service performed before January 1, 1966.

(2) The Portability of Benefits for NAF Employees Act, Public Law 101-508, enacted in 1990, provides portability of pay and benefits for employees moving without a break in service of more than three days between DoD NAF and DoD APF civil service positions.

(3) Section 1043 of the National Defense Authorization Act for Fiscal Year 1996, Public Law 104-106, expands portability benefits, primarily in the area of retirement coverage elections.

(4) Sections 1131 and 1132 of the National Defense Authorization Act for Fiscal Year 2002, Public Law 107-107, further expands the retirement election opportunities for employees moving between NAF and APF civil service positions.

h. A chronology and summary of portability of benefits laws is at Appendix 1A. The laws are codified in various sections of Title 5, United States Code (U.S.C.). Sections 3 through 11 of this Guide contain citations for Title 5 U.S.C. and implementing regulations and policy.

**1.3. PORTABILITY OF BENEFITS PROVISIONS UNDER CURRENT LAW AND REGULATION.** Appendix 1B contains a table summarizing key benefit provisions currently available at the time of a move between civil service and NAF positions. The paragraphs below describe the major differences between retirement and non-retirement portability. The remainder of this Guide provides further detail.

**a. Retirement Portability.**

(1) Eligible employees who move on or after December 28, 2001, with a break in service of **no more than one year** between retirement-covered DoD or Coast Guard NAF positions and retirement covered APF civil service positions in **any agency** may elect to continue retirement coverage in the losing employment system's retirement plan. If they do not elect to remain in

that system, they enter the gaining employer's retirement system with no transfer of service credit.

(2) Employees in CSRS and the Federal Employees Retirement System (FERS) may use any prior NAF service that is not otherwise creditable in CSRS or FERS to qualify for an immediate retirement. This credit is only for the purpose of establishing eligibility for immediate CSRS or FERS retirement benefits on or after December 28, 2001. The election to use NAF credit may only be made at the time of retirement. Credit for NAF service will not increase CSRS or FERS annuity benefits.

(3) Employees who moved between DoD NAF and APF civil service positions before December 28, 2001 are covered under different retirement portability eligibility criteria and rules.

#### **b. Pay and Benefits other than Retirement.**

(1) Employees who move with a break in service of no more than three days between DoD NAF and DoD APF civil service positions may be eligible for pay, leave, and reduction-in-force benefit protection.

(2) Some non-retirement benefits are handled differently if the move between NAF and civil service is voluntary or involuntary.

(a) In a voluntary move, the employee initiates the move by applying for a vacant position.

(b) In an involuntary move, the Component initiates the move of a position and its incumbent; the incumbent is moved with the position, without substantial change in duties, from one employment system to the other.

### **1.4. STRUCTURE OF REFERENCE GUIDE.**

a. Section 2, Human Resources (HRO) Responsibilities, outlines HRO responsibilities when an employee moves between employment systems.

b. Section 3, Processing Separations and Appointments when an Employee Moves Between Civil Service and DoD NAF Positions, contains guidance on processing appointments and separations for employees moving between employment systems.

c. Section 4, Setting Initial Pay, contains guidance on setting the initial rate pay for employees moving between DoD NAF and DoD civil service positions.

d. Section 5, Portability/Service Credit of Benefits other than Retirement, contains guidance on determining eligibility for portability protections and service credit for non-retirement benefits. Most of the benefits described in this section are specific to employees moving between DoD positions without a break in service of more than 3 days.

e. Section 6, Portability of Retirement Coverage for Moves on or after December 28, 2001, contains guidance on processing retirement portability elections for employees moving under current law and regulation. This guidance applies to employees moving between DoD NAF and civil service positions in any agency on or after December 28, 2001. The appendices to Section 6 contain copies of election forms, aids to confirming eligibility for an election, and model requests for employer confirmation of the employee's participation in a retirement plan.

f. Section 7, Retirement Portability for Moves between Civil Service and DoD NAF Positions prior to December 28, 2001, contains guidance on the retirement portability law and regulations applicable to employees who moved between employment systems before December 28, 2001.

g. Section 8, Retirement Procedures for Employees who Retained Retirement Coverage, contains guidance on processing retirement actions for employees who remained in their previous employment system's retirement plan.

h. Section 9, Crediting DoD NAF Service for CSRS or FERS Immediate Retirement under Section 1132 of Public Law 107-107, contains guidance on crediting DoD NAF service towards immediate retirement from CSRS or FERS. That section of the Guide applies to NAF or civil service employees who are covered by CSRS or FERS and have former NAF service that is not otherwise creditable in CSRS or FERS. Those employees may be able to use that service for the sole purpose of establishing eligibility for immediate CSRS or FERS retirement benefits.

i. Section 10, Processing Benefits Related to Death of Employees and Retirees who Retained Retirement Coverage Under Portability Provisions, contains guidance for HROs on what to do upon the death of an employee or retiree who retained retirement coverage. This section also discusses how to report the death, the forms needed, and how to help survivors submit benefit applications.

j. Section 11, Processing Corrections to Retirement System Coverage, contains guidance on correcting errors for employees who are placed in the wrong retirement system.

k. Section 12, Points of Contact, contains points of contact and useful websites for the appropriated fund and NAF personnel and retirement systems.

l. Section 13, Frequently Asked Questions, provides answers to frequently asked questions.

## **APPENDIX 1A: CHRONOLOGY OF PUBLIC LAWS ON PORTABILITY OF BENEFITS**

### **1A.1. THE NON APPROPRIATED FUND INSTRUMENTALITIES EMPLOYEES' RETIREMENT CREDIT ACT OF 1986, PUBLIC LAW 99-638.**

- a. Provides CSRS credit for former NAF service performed after June 18, 1952, and before January 1, 1966.
- b. Former NAF service must have been in certain Morale, Welfare, and Recreation positions. (Eligible employees were primarily Department of the Army NAF employees working in recreation, youth activities, and arts and crafts positions, who were not covered by a NAF retirement system.)

### **1A.2. PORTABILITY OF BENEFITS FOR NAF EMPLOYEES ACT OF 1990, PUBLIC LAW 101-508, SECTION 7202.**

- a. Provides pay and benefits protection.
- b. Covers moves between **DoD** NAF and **DoD** APF civil service positions on or after January 1, 1987, without a break in service of more than 3 days.
- c. Permits employees to remain in their APF civil service or NAF retirement plan, if vested.

### **1A.3. FY96 NATIONAL DEFENSE AUTHORIZATION ACT, PUBLIC LAW 104-106, SECTION 1043.**

- a. Expands the 1990 Portability Act retirement election provisions to cover moves to APF civil service positions outside of DoD and to cover moves on or after August 10, 1996, with a break of not more than one year.
- b. Requires employees be vested in the losing employment system's retirement plan in order to have retirement election.
- c. Provides eligible FERS or NAF employees the opportunity to combine FERS and NAF service credit retroactively. (Move must have occurred on or after January 1, 1966, but before August 10, 1996. Agencies have authority to waive the August 11, 1997, election deadline for employees who did not receive timely notice of election opportunity).
  - (1) No retirement election for employees in CSRS.
  - (2) For FERS credit, NAF employer and employee contributions transfer. If the funds transferred are less than the increase in the actuarial present value of the retirement benefit attributable to the additional service, the employee's annuity is reduced accordingly.

**1A.4. FY02 NATIONAL DEFENSE AUTHORIZATION ACT, PUBLIC LAW 107-107, SECTIONS 1131 AND 1132.**

a. Section 1131 permits employees moving between NAF and APF civil service positions on or after December 28, 2001, to continue coverage in the retirement plan that covered them immediately before the move. Employees may continue coverage even if they are not vested in the retirement plan. Employees must move between retirement-covered positions with a break of not more than one year.

b. Section 1132 permits employees in CSRS or FERS to use prior NAF service to qualify for an immediate retirement on or after December 28, 2001. Credit for NAF service under this law **will not** result in higher CSRS or FERS annuity benefits.

## APPENDIX 1B: KEY BENEFITS AT TIME OF MOVE

**Table 1: Key Benefits at Time of Move Between Civil Service and NAF Positions**

<i>Benefit</i>	<b>Provision</b>	<b>Break in Service Criteria</b>	<b>Other Eligibility Criteria</b>
Retirement	<ul style="list-style-type: none"> <li>Election to retain coverage in current retirement system</li> <li>Employees who do not elect to remain in current system enter the gaining employer's retirement system with no transfer of service credit</li> </ul>	<ul style="list-style-type: none"> <li>No more than 1 year between retirement-covered positions</li> </ul>	<ul style="list-style-type: none"> <li>Move between retirement-covered positions</li> <li>No prior opportunity for same election</li> </ul>
Pay	<ul style="list-style-type: none"> <li>Last rate of basic pay protected for involuntary moves</li> <li>Highest previous rate of pay may be considered for voluntary moves</li> </ul>	<ul style="list-style-type: none"> <li>No more than 3 days</li> </ul>	<ul style="list-style-type: none"> <li>Must move between DoD positions</li> </ul>
GS Step Increase	<ul style="list-style-type: none"> <li>Service credit towards waiting periods for pay increases</li> </ul>	<ul style="list-style-type: none"> <li>No more than 3 days</li> </ul>	<ul style="list-style-type: none"> <li>Must move from DoD NAF to DoD civil service positions</li> </ul>
Annual, sick, and home leave	<ul style="list-style-type: none"> <li>Leave balances transfer</li> <li>No pay-out of annual leave balance permitted</li> </ul>	<ul style="list-style-type: none"> <li>No more than 3 days</li> </ul>	<ul style="list-style-type: none"> <li>Must move between DoD positions</li> </ul>
Annual leave accrual	<ul style="list-style-type: none"> <li>Prior service is credited towards annual leave accrual rate in new system</li> </ul>	<ul style="list-style-type: none"> <li>No more than 3 days</li> </ul>	<ul style="list-style-type: none"> <li>Must move between DoD positions</li> </ul>
Severance Pay	<ul style="list-style-type: none"> <li>Service is credited for severance pay purposes in the gaining system.</li> <li>In APF civil service to NAF moves, APF severance pay entitlement resumes if employee is later involuntarily separated from NAF.</li> </ul>	<ul style="list-style-type: none"> <li>No more than 3 days</li> </ul>	<ul style="list-style-type: none"> <li>Must move between DoD positions</li> </ul>
Reduction-in-force (RIF)/ Business-Based Action (BBA)	<ul style="list-style-type: none"> <li>Service credit transfers for civil service RIF or NAF BBA purposes</li> </ul>	<ul style="list-style-type: none"> <li>No more than 3 days</li> </ul>	<ul style="list-style-type: none"> <li>Must move between DoD positions</li> </ul>

List is not all inclusive. Please see Sections 3 through 6 of the Guide for additional information.

## **SECTION 2: HUMAN RESOURCES OFFICE (HRO) RESPONSIBILITIES**

### **2.1. GENERAL.**

- a. When an employee moves between a DoD NAF position and a civil service position, the gaining agency, with the help of the losing agency, determines whether portability of benefits provisions apply. Section 12 provides points of contact for civil service and NAF employee information.
- b. With advance communication between gaining and losing HROs and preparation, the gaining HRO should be able to tell the employee at the time of entry on duty which portability of benefits provision apply.
- c. Sections 2.2 and 2.3 summarize key HRO responsibilities. The summary is not all-inclusive.

### **2.2. THE APPOINTING HRO (CIVIL SERVICE OR NAF).**

- a. Identifies prior service that may qualify the employee for portability of benefits. The gaining HRO obtains necessary information from the employee and the losing HRO and requests documenting records.
- b. Reviews the employee's official personnel record (OPF), whether paper or electronic (e-OPF) format, to determine if the employee has prior service that qualifies for portability of benefits. (For purposes of this Guide, the OPF and e-OPF are interchangeable.).
  - (1) In reviewing the employee's OPF, the HRO should be aware that the personnel action forms for the civil service and NAF employment systems differ. One key difference is in the nature of action forms. The civil service uses OPM's Standard Form (SF) 50 to document personnel actions. DoD NAF employers use Component NAF forms.
  - (2) A list of the NAF forms used to document NAF employee personnel actions is in Appendix 3.A. The list of forms may help APF civil service HROs find necessary NAF personnel documents.
- c. Processes the appointment under the appropriate appointing authority.
- d. Determines whether the employee is eligible for portability of benefits.
  - (1) Eligibility for portability of benefits determines whether the employee will receive a retirement coverage election, and whether the employee will receive credit for rate of basic pay and years of service in the previous employment system.
  - (2) HROs should keep in mind that eligibility for non-retirement benefits generally require that the employee move between DoD positions without a break in service of more than three days (see Section 5 for further information). Eligibility for a retirement coverage election

does not require a move within DoD and the break in service requirement is no more than 1 year (see Section 6 for further information).

e. Provides the employee with applicable portability of benefits information and retirement election form to enable an eligible employee to make a retirement coverage election within the 30 day election period. See Section 5 of this Guide for explanations of non-retirement portability benefits; see Section 6 of this Guide for guidance on retirement coverage election eligibility and forms. The gaining HRO coordinates with the former employment system's HRO and retirement benefit staff where necessary to advise the employee.

f. Consults with DCPAS experts and appropriate DoD civil service or NAF retirement experts as necessary. Some employees move between employment systems more than once. Factors such as annuitant status and previous retirement coverage elections complicate portability moves and will require expert advice and coordination.

g. Documents the employee's eligibility for portability of benefits on the appropriate sections of personnel forms.

h. Uses OPM-designated folder, Standard Form 66-C "Merged Records Personnel Folder" (MRPF) and Standard Form 66-D, "Employee Medical Folder" to retain the records of employees who qualify for portability. OPM's "Guide to Personnel Recordkeeping" applies to the MRPF and Employee Medical Folder. In accordance with that OPM Guide and with the recordkeeping agreement between OPM and DoD, civil service and NAF records are kept in a single folder, but the agency that created the record retains ownership. Only the agency owning a record may amend, destroy, or remove it.

(1) The gaining HRO contacts the losing HRO to expedite complete records transfer.

(2) The gaining HRO establishes appropriate electronic employee files and ensures inclusion of all creditable service from losing employment system. APF civil service HROs should keep in mind that not all DoD Components use electronic records for NAF employees. Paper format records that document eligibility for portability of benefits and service credit must be converted to an electronic format via electronic scanning into the employee's e-OPF.

(3) NAF HROs for Components who do not use electronic records must ensure that the employee's paper MRPF includes all documentation of APF civil service that qualifies the employee for portability of benefits and service credit.

i. Coordinates with losing HRO to ensure leave balances transfer, if the employee moved within DoD without a break in service of more than 3 days and is eligible for that benefit.

j. Documents the employee's retirement coverage election, if eligible. Follows instructions on applicable retirement election form.

k. Coordinates with payroll office and retirement benefit staff to ensure correct employee deductions and employer contributions are promptly submitted to the correct retirement plan and defined contribution plan (i.e., TSP or NAF 401k).

1. Gives the employee a written final decision if the HRO determines that the employee is not eligible to make a portability retirement coverage election. The decision must explain the reasons for the decision and provide information on applicable rights to appeal the decision.

### **2.3. THE LOSING (SEPARATING) HRO (CIVIL SERVICE OR NAF).**

a. Documents the employee's separating personnel action with appropriate remarks regarding movement to the other personnel system.

b. If the employee is eligible for leave transfer, coordinates with payroll to prevent lump-sum annual leave payout. Coordinates with gaining HRO to transfer leave balances. If leave is paid out in error, obtains repayment from employee, reinstates leave balance, and transfers to gaining employer.

c. Coordinates with gaining HRO to transfer the employee's OPF/MRPF, including data in an employee's electronic OPF.

d. Coordinates with retirement benefits experts to assist in documenting employee's eligibility for a retirement coverage election under portability of benefits law and regulation.

(1) The losing HRO and retirement benefit staff document participation in the losing system's retirement plan, or document a prior retirement election.

(2) The losing system does not provide an employee with a retirement coverage election; that is the role of the appointing HRO. However, if the losing HRO is aware of the employee's impending move to a retirement-covered APF civil service position, the HRO may provide a copy of the retirement coverage election form to the employee upon resignation to help prepare for the transition.

e. Answers employee questions regarding the opportunity to retain retirement coverage. If the appointing HRO determines that the employee made a qualifying move, the employee may need the losing HRO and benefits staff to provide estimates of retirement benefits to make an informed election decision.

## **SECTION 3: PROCESSING SEPARATIONS AND APPOINTMENTS WHEN AN EMPLOYEE MOVES BETWEEN CIVIL SERVICE AND DOD NAF POSITIONS**

### **3.1. GENERAL.**

a. When the Component initiates the move of a position and its incumbent, the separating and appointing HROs are involved in the process from the start of the action. Therefore, both HROs should be fully aware of their responsibility to provide the employee with the benefit protections that apply to involuntary moves.

b. When an employee moves voluntarily between civil service and NAF positions, the separating and appointing HROs may not know if the employee is making a move covered by portability. HROs should use an employee's out-processing and in-processing information to help determine whether the employee is moving between employment systems and if the move should be processed under portability of benefits provisions.

c. The gaining HRO is required to make the necessary corrections if it discovers that the employee was not given the appropriate portability protections at the time of a qualifying move.  
move

### **3.2. SEPARATIONS.**

#### **a. DoD NAF Employees Moving to a DoD Civil Service Position.**

(1) The applicable NAF HRO processes the necessary separation action from NAF employment.

(2) The NAF HRO should use Component Human Resources Information System (HRIS) procedures for processing personnel actions for employees moving to the APF civil service employment system.

(3) If the employee is moving to an APF civil service position within DoD without a break in service of more than three days, the HRO notes on the separation action that the employee is transferring to a civil service position within DoD and is eligible for portability of benefits.

(4) If the employee is moving to a DoD position that provides annual leave benefits, the employee's NAF annual leave balance transfers. Coordination between the HROs and Payroll offices is essential to ensure that the employee's leave is not paid out. If annual leave balance is erroneously paid out, repayment and balance reinstatement and transfer is mandatory.

(5) Involuntarily separated employees who move to a civil service position within DoD without a break in service of more than three days are not entitled to NAF severance pay. See Section 5 on non-retirement benefits for further information on severance pay.

6) If the employee is eligible for an election to remain in the NAF retirement plan, the HRO coordinates with the NAF benefits office to provide the appointing civil service HRO with the necessary service and retirement plan enrollment information.

(7) The APF civil service HRO/benefits office will provide the appropriate APF civil service forms and process the employee's portability of benefits elections and leave transfers, if applicable.

(8) Refer to the summary of portability benefits in Appendix 1B, the HRO responsibilities listed in Section 2, and the more detailed portability benefits described in Sections 4 through 6 to assist in processing the movement.

**b. DoD APF Civil Service Employees Moving to a DoD NAF Position.**

(1) If the employee's APF civil service position is being abolished, civil service reduction-in-force procedures and protections apply to the affected employee losing civil service status.

(2) If the civil service employee is being converted to NAF under the Uniform Funding and Management Authority (UFM), UFM requirements and regulations must be applied. Title 10 U.S.C., section 2491 authorized UFM. UFM regulations are found in DoDI 1400.25, Volume 1403, Paragraph 8.b. and DoDI 1015.15, Enclosure 6, paragraph E6.2.3. Under UFM:

(a) The position may only be converted to NAF if the employee encumbering the position voluntarily consents to the move.

(b) The conversion of position and employee takes place without a break in service.

(c) The employee moves to an equivalent NAF position at the same pay rate unless applicable pay setting rules dictate a different rate of pay.

(d) The conversion does not entitle an employee to appropriated fund severance pay, back pay, or separation pay.

(e) The conversion is not considered an involuntary separation or other adverse personnel action.

(3) The APF civil service HRO processes the necessary separation action from civil service when a civil service employee moves to a NAF position in DoD and is eligible for portability of benefits. Coordination between the HROs and Payroll offices is essential to ensure that the employee's leave is not paid out.

(4) The OPM "Guide for Processing Personnel Actions," does not contain a specific Nature of Action Code (NOAC) for processing a separation from civil service to move to a DoD NAF position. If an employee is eligible for the transfer of leave to a NAF position, the APF civil service HRO should document that eligibility on the separation documents to ensure that annual leave is not paid out.

(5) Involuntarily separated employees who move to a NAF position within DoD without a break in service of more than three days are not entitled to civil service severance pay at the time of the civil service separation. See Section 5 on non-retirement benefits for further information on severance pay.

(6) Appropriate DCPDS codes are used to document a separation from civil service and acceptance of a NAF position.

(7) The applicable NAF HRO/benefits office will provide the appropriate NAF forms and process the employee's portability of benefits elections and leave transfers.

(8) The losing APF civil service HRO tells the Thrift Savings Plan (TSP) recordkeeper that the employee has transferred to a DoD NAF instrumentality (as opposed to a separation). If the employee later elects not to be covered by CSRS or FERS, the gaining NAF employer will submit an Employee Data Record to TSP to change the status to a separation as of the date of the move (5 CFR section 1620.36).

(9) Refer to the summary of portability benefits in Appendix 1B, the HRO responsibilities listed in Section 2, and the more detailed portability benefits described in Sections 4 through 6 to help process the move.

### **3.3. APPOINTMENTS.**

#### **a. The DoD/OPM Interchange Agreement.**

(1) Public Law 101-508 authorized OPM and DoD to enter into an agreement for the noncompetitive movement of employees between DoD NAF positions and competitive service positions. The DoD/OPM Interchange Agreement took effect on September 20, 1991, originally for a three-year period. On December 13, 1993, OPM approved the use of the Interchange Agreement indefinitely.

(2) The Interchange Agreement permits DoD NAF employees to be appointed to positions in the competitive civil service in any agency. Employees serving in competitive civil service positions may be appointed to DoD NAF positions under the Interchange Agreement provisions. (Title 5 U.S.C. 2105(c)(1)(D); DoDI 1400.25, Volume 1403, Paragraph 8 and Appendix to Enclosure 3).

(3) Eligibility for appointment under the Interchange Agreement requires the employee:

- (a) Move between positions that are not time-limited; and
- (b) Have one year of continuous service prior to appointment under the Interchange Agreement; and
- (c) Move without a break in service, or have been involuntarily separated without personal cause within the preceding year.

(4) Eligible DoD NAF employees under an appointment without time limit may include Flexible employees who work the equivalent of a part-time, intermittent, or on-call schedule. To determine creditable service for career or career-conditional appointment, apply the rules in 5 CFR 315.201(b)(4).

(5) NAF employees are eligible to apply for a competitive civil service position under the Interchange Agreement if the vacancy announcement's area of consideration includes:

(a) Federal employees outside of the agency; and

(b) Individuals eligible for selection priority in hiring under the Veterans Employment Opportunities Act (VEOA); and

(c) Individuals eligible under the Interagency Career Transition Assistance Program (ICTAP).

(6) NAF employees hired to competitive service positions under the Interchange Agreement are treated in accordance with regulations covering the transfer of employees within the competitive service. Under those regulations, NAF employees are not treated the same as internal DoD competitive service candidates. Therefore, applicants who claim DoD Priority Placement Program or ICTAP preference must be considered before NAF employees applying under the Interchange Agreement.

(7) The Interchange Agreement is an appointing authority; it does not authorize service credit for pay and benefits. To receive service credit for pay and benefits portability purposes, an employee must meet the eligibility criteria established by law and regulation. An employee who is eligible for portability of benefits may be appointed through use of the Interchange Agreement or any other valid appointing authority.

(8) A copy of the Interchange Agreement may be found at the Appendix to Enclosure 3 of Volume 1403 of DoDI 1400.25. Additional information may be found at <https://www.opm.gov/policy-data-oversight/hiring-information/competitive-hiring/#url=InterchangeAgreementsWithOtherMeritSystems>.

**b. Appointment Authorities Used in Voluntary Moves.** In a voluntary move, the employee initiates the move by applying for a vacant position. The gaining employment system processes the appointment through regular appointing procedures, using any valid appointing authority, including the DoD/OPM interchange agreement.

**c. Appointment Authorities Used in Involuntary Moves.** In an involuntary move, the Component initiates the move of a position and its incumbent. The Component moves the incumbent with the position, without substantial change in duties, from one employment system to the other.

(1) **NAF to Civil Service.** A NAF employee encumbering a position that the Component moves to the appropriated fund may be brought into the competitive service using 5 CFR provisions. See 5 CFR 316.701 provisions for retaining incumbents of positions brought into the Competitive Service.

(2) Civil Service to NAF.

(a) In a civil service to NAF move, the Component abolishes an appropriated fund position and reestablishes it as a new NAF position, appointing the incumbent to the NAF position using a NAF hiring authority. Civil service reduction-in-force procedures and protections apply to the affected employee losing civil service status.

(b) Appropriated fund Morale, Welfare, and Recreation positions may be converted to NAF positions using the UFM authority described in Paragraph 3.2.b.(2) of this Guide.

**d. Priority Placement Program (PPP) Exemptions for NAF to Civil Service Conversion.** DoD policy authorizes a PPP exemption for positions filled by employees encumbering a NAF position at the time it is moved to the civil service and who are noncompetitively appointed to that same job (i.e., same desk and work unit). For guidance, see paragraph C.2.m of the [Priority Placement Program Handbook](http://www.cpms.osd.mil/Content/Documents/PPPHandbook.pdf), dated July 2011, (<http://www.cpms.osd.mil/Content/Documents/PPPHandbook.pdf>).

**e. Credit towards Civil Service Career Tenure.**

(1) **Appointment under DoD/OPM Interchange Agreement.** Employees hired under the authority of the DoD/OPM Interchange Agreement are eligible to have non-temporary NAF service credited towards civil service career tenure. (5 CFR 315.201 (b) (1) (vii))

(2) **Conversion to Competitive Service.** Employees whose DoD NAF positions are brought into the competitive service are eligible to have non-temporary NAF service credited towards civil service career tenure. (5 CFR 315.201(b)(1)(vi))

**f. Probationary Periods.**

(1) **Appointment under DoD/OPM Interchange Agreement.** Employees appointed under the Interchange Agreement will not be required to serve a new civil service or NAF probationary period if they previously completed a probationary period in the losing employment system. (Paragraph 6 of the DoD/OPM Interchange Agreement).

(2) **Civil Service Credit for NAF Service.** Prior NAF service is creditable towards career tenure consistent with applicable government-wide regulations.

**g. Application of Voluntary Separation Incentive Pay Reemployment Restrictions.** The restrictions on reemployment within the Federal Government following acceptance of Voluntary Separation Incentive Pay (VSIP) apply to employees who accept civil service or NAF jobs. (Title 5, U.S.C., Section 9902(f); DoDI 1400.25, Volume 1702, Enclosure 3, Section 2.d., Volume 1417, Enclosure 3, Section 5.a.)

(1) An employee who receives a VSIP payment cannot be reemployed by DoD in a civil service or NAF position within 12 months of separation.

(2) VSIP repayment requirements apply to an employee who accepts a civil service or DoD NAF position within 5 years of receiving a VSIP.

**h. Use of a Merged Record Personnel Folder (MRPF).**

(1) Civil service and NAF HROs use OPM-designated folders, Standard Form 66-C, “Merged Records Personnel Folder,” and Standard Form 66-D, “Employee Medical Folder” (EMF) to retain the records of employees who qualify for portability of benefits, as well as electronic official personnel folders (e-OPFs).

(2) For guidance on the use of MRPFs, see the OPM Operating Manual, “[The Guide to Personnel Recordkeeping](https://www.opm.gov/policy-date-oversight/data-analysis-documentation/personnel-documentation/personnel-recordkeeping/recguide2011.pdf)” (<https://www.opm.gov/policy-date-oversight/data-analysis-documentation/personnel-documentation/personnel-recordkeeping/recguide2011.pdf>)

**i. Documentation.**

**(1) DoD NAF Appointments.**

(a) Each of the six NAF employers has different forms or electronically generated reports that are equivalent to the civil service system’s SF-50. Appendix 3.A of this Guide contains a table describing those Component forms.

(b) If the NAF appointment form contains a “Remarks” section, use it to document the employee’s eligibility for portability of benefits.

**(2) DoD APF Civil Service Appointments.**

(a) The HRO should use OPM’s “[Guide for Processing Personnel Actions](https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/),” to obtain appropriate nature of action codes (NOAC), authority codes, and other pertinent information for processing the appointment SF-50. (<https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/>) Note: see Tab 2, Processing Personnel Actions.

(b) Chapter 9, Table 9-D, in the OPM “Guide” provides the NOAC and authority code for employees appointed under the Interchange Agreement.

## APPENDIX 3A: DOD NAF DOCUMENTATION

**Table 2: DoD NAF Forms/Reports Equivalent to SF-50**

<b>Component</b>	<b>Form Number</b>	<b>Description</b>
Department of the Army	DA Form 3434	Notification of Personnel Action Nonappropriated Fund Employee
Department of the Air Force	AF 2545	“NAFI Notification of Personnel Action.” The AF 2545 prints from the information provided in the electronic form AF 2548, “NAFI Request for Personnel Action.”
U.S. Marine Corps	NAF-MCCS 500	Personnel Action Form 500
Commander, Naval Installation Command	Personnel Action Report	Bottom right-hand side of the form states “SF-50 equivalent”
Navy Exchange Service Command	NX-129	PeopleSoft report
Army and Air Force Exchange Service	Exchange Form 1200-100 (Rev Feb 13)	AAFES Personnel Request electronic form. It is the form that is placed in the employee’s OPF.

## SECTION 4: SETTING INITIAL PAY

### 4.1. GENERAL.

a. Employees who move involuntarily between DoD positions receive pay protection. In voluntary moves between DoD positions without a break in service of more than 3 days, the employee's highest previous rate may be considered.

b. Section 5334 of Title 5, U.S.C. provides pay setting rules covering NAF employee moves to General Schedule (GS) positions. The pay rules in Title 5, U.S.C. Chapter 53, Subchapter IV, and 5 CFR Part 532 cover employees who move to Crafts and Trades (CT) positions (NAF or appropriated fund). Section 5365(b) of Title 5, U.S.C. authorizes grade and pay retention for NAF employees who are involuntarily moved to civil service positions.

c. DoD policy, not Federal law, provides pay setting requirements for civil service employee moves to DoD NAF white-collar positions. (DoDI 1400.25, Volume 1405, Enclosure 3, Appendix 1, subparagraph 3.b.(4)).

### 4.2. DOD NAF TO DOD CIVIL SERVICE.

**a. Moves from NAF to GS.** Section 5334(f) of Title 5, U.S.C. provides pay setting requirements for setting basic pay for NAF employees moving to General Schedule (GS) positions. 5 CFR 531.203 provides applicable definitions. An [OPM Fact Sheet](#), "NAFI Employees Moving to General Schedule (GS) Positions – Setting Pay," provides guidance and examples of pay setting situations (<https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/nafi-employees-moving-to-general-schedule-positions/>).

(1) **Involuntary moves.** NAF employees who are involuntarily moved to a GS position receive pay protection at the level of their NAF basic rate of pay at the time of the move. Components may set an employee's initial rate of GS pay at a higher level using the employee's NAF highest previous rate of NAF pay, the maximum payable rate rule (based on a non-NAF rate of basic pay), or the authority to grant pay retention. (5 CFR 531.216; 5 CFR 531.221; 5 CFR 536.302(a); DoDI 1400.25, Vol 536, subparagraph 3.c.11)

(2) **Voluntary moves.** When a NAF employee moves voluntarily to a GS position, basic pay is set at the minimum rate of the applicable rate range for the GS position. Alternatively, the Component may use the employee's highest previous rate of NAF pay, or apply the maximum payable rate rule based on a non-NAF rate of basic pay. (5 CFR 531.216; 5 CFR 531.221; DoDI 1400.25, Vol 531, Enclosure, paragraph 1.b)

**b. Moves from NAF to Civil Service Wage Grade.** Basic pay is set in accordance with 5 CFR part 532, subpart D (Pay Administration).

**(1) Involuntary moves:**

(a) NAF CT employees involuntarily moved to a Civil Service CT position are covered by the position or appointment change rules in subpart D. Under those rules, pay may be set using the employee's existing scheduled rate of pay, or the employee's highest previous rate of pay.

(b) Where the involuntary move results in a reduction in grade or pay, the provisions in 5 CFR part 536 (Grade and Pay Retention) apply. (5 CFR 536.203; 5 CFR 536.302(a); DoDI 1400.25, Vol 536, subparagraph 3.c.11)

**(2) Voluntary moves:**

(a) Under subpart D, a NAF CT employee's highest previous rate of pay may be considered when he or she moves to a Civil Service CT position.

(b) A NAF employee moving from a non-CT position to a Civil Service CT position is covered by the subpart D rules covering new appointments. Under those provisions, pay is set at the minimum rate of the appropriate grade, except as provided by exceptions for recognition of special qualifications and hard-to-fill occupations.

### **4.3. DOD CIVIL SERVICE TO DOD NAF.**

**a. Moves from Civil Service to NAF Payband.** Volume 1405 of DoDI 1400.25 provides pay setting policy for employees appointed to NAF white-collar Payband positions.

(1) **Involuntary moves.** Pay setting and pay retention provisions contained in Volume 1405 of DoDI 1400.25 protect an employee's GS pay upon a move to a NAF payband position. (DoDI 1400.25, Volume 1405, Enclosure 3, Appendix 1, subparagraph 3.b.(4)).

(2) **Voluntary moves.** Pay may be set at an appropriate pay rate within the minimum and maximum rates of the applicable pay-band. (DoDI 1400.25, Volume 1405, Enclosure 3, Appendix 1, Section 3).

**b. Moves from Civil Service to NAF CT.** Provisions in 5 CFR part 532, subpart D apply.

(1) **Involuntary moves.** Civil Service employees involuntarily moved to a NAF CT position are covered by the position or appointment change rules in subpart D.

(a) Under those rules, pay may be set using the employee's existing scheduled rate of pay, or the employee's highest previous rate of pay.

(b) Where the involuntary move results in a reduction in grade or pay, the provisions in 5 CFR part 536 (Grade and Pay Retention) apply. (5 CFR 536.203 and 5 CFR 536.302(a)).

(2) **Voluntary moves.** Under subpart D, the employee's pay may be set at the minimum step of the appropriate grade, or the employee's highest previous rate of pay may be considered.

## **SECTION 5: PORTABILITY/SERVICE CREDIT OF BENEFITS OTHER THAN RETIREMENT**

**5.1. CREDITABLE SERVICE TOWARDS GENERAL SCHEDULE WITHIN GRADE INCREASES.** NAF service is creditable in the computation of waiting periods for within-grade step increases, if the employee moves from a DoD NAF position to a DoD GS position without a break in service of more than three days. (5 USC 5335(f); 5 CFR 531.406 (b) (4)).

### **5.2. CREDITABLE SERVICE TOWARDS GENERAL SCHEDULE TIME-IN-GRADE.**

a. DoD NAF service is creditable towards General Schedule time-in-grade requirements. (5 CFR 300.605(a)).

b. Credit is given without regard to break in service or other portability of benefits eligibility criteria.

c. Under 5 CFR 300.605(b), the employee's non-GS rate of basic pay is used to determine the equivalent GS grade. Under the NAF payband system, "basic pay" means the NAF employee's annual rate of pay, including any portion that may be attributed to comparability with private sector pay in a locality, before any deductions and exclusive of additional pay of any kind (Paragraph 3.a.(3) of Appendix 1 to Enclosure 3 of Volume 1405 to DoDI 1400.25).

### **5.3. RECRUITMENT AND RELOCATION INCENTIVES.**

a. Employees moving between NAF positions and civil service positions in any agency are not considered to be "newly appointed" for purposes of recruitment incentives. Employees are not eligible for appropriated fund or NAF recruitment incentives unless there is a break in service of at least 90 days. (5 CFR 575.102 (definition of "employee"; DoDI 1400.25, Volume 1405, Enclosure 3, Paragraph 2.k.(1)(b))

b. Employees moving without a break in service between NAF positions and civil service positions in any agency may be eligible for relocation incentives, if the positions are in different geographic areas. (5 CFR 575.202 (definition of "employee"; DoDI 1400.25, Volume 1405, Enclosure 3, Paragraph 2.k.(1)(b)).

### **5.4. TRAVEL, TRANSPORTATION, AND RELOCATION EXPENSES.**

**a. DOD NAF to DOD Civil Service.** Employees who move from DoD NAF positions to DoD civil service positions without a break in service of more than three days are authorized travel, transportation, and relocation expenses and allowances to the same extent and under the same conditions as transferred civil service employees. (Title 5 U.S.C. 5736).

**b. DOD Civil Service to DOD NAF.** Employees who move from a DoD civil service position to a DoD NAF position may be eligible for travel, transportation and relocation

expenses and allowances, if the payment of such expenses is clearly in the interest of the NAFI. (DoDI 1400.25, Volume 1405, Enclosure 3, Paragraph 2.i.(1)).

## **5.5. LEAVE TRANSFER.**

a. Employees who move between DoD NAF and DoD APF civil service positions without a break in service of more than three days are eligible for transfer of annual, sick, and home leave balances to the gaining employment system. (Title 5 U.S.C. 6308(b)). Under DoD policy, there is no transfer of funds between employment systems and leave transfers without limit. (DoDI 1400.25, Volume 1406, Enclosure 3, subparagraphs 2.a.(7)(c), 2.b.(4), and 2.d.(3)).

b. Payroll guidance on processing leave transfers and adjusting liability is available in DoD 7000.14-R, [Financial Management Regulation](#). See Volume 13, Chapter 8, subparagraph 080702, ([http://comptroller.defense.gov/Portals/45/documents/fmr/Volume\\_13.pdf](http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_13.pdf)).

c. Employees who are eligible for transfer of annual leave balance are not eligible to receive lump-sum payment for accrued annual leave from the former employment system. An exception is provided for annual leave restored due to Base Realignment and Closure, if the employee is transferring to a position at an installation that is not being closed or realigned. (Title 5 U.S.C. 5551(a) and (c); DoDI 1400.25, Volume 1406, Enclosure 3, subparagraph 2.a.(7)(c)2)).

d. If an employee retired from the losing employment system prior to the move, and applied a sick leave balance towards retirement, there is no sick leave balance to transfer. Verify all leave balances with the losing employment system's HRO.

## **5.6. ANNUAL LEAVE CREDIT.**

a. Employees who move between DoD NAF and DoD APF civil service positions without a break in service of more than three days receive service credit for purposes of determining annual leave accrual rate in the gaining employment system. (Title 5 U.S.C. 6312(a)(2); DoDI 1400.25, Volume 1406, Enclosure 3, subparagraph 2.a.(4)(c)).

b. Civil service processing guidance regarding creditable service for leave accrual may be found in the [OPM Guide to Processing Personnel Actions](#), Chapter 6, Subchapter 1, Section 1-7, (<https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/processing-personnel-actions/gppa06.pdf>).

**5.7. REDUCTION IN FORCE (RIF)/BUSINESS BASED ACTION (BBA).** Employees who move, on or after January 1, 1966, between DoD NAF and DoD APF civil service positions without a break in service of more than three days receive service credit for civil service RIF or NAF BBA purposes. (Title 5 U.S.C. 3502 (a)(C)(ii); DoDI 1400.25, Volume 1471, Appendix to Enclosure 3, Paragraph 7.e.(2)).

## **5.8. SEVERANCE PAY.**

**a. Determining Creditable Service.** Employees who move between DoD NAF and DoD APF civil service positions without a break in service of more than three days receive service credit for severance pay purposes. (5 CFR 550.705 and 550.708; DoDI 1400.25, Volume 1405, Appendix 5 to Enclosure 3, subparagraph 4.a.(3)).

**b. Limitation on Payment of Severance Pay.** Employees who are entitled to NAF or APF severance pay are prohibited from receiving severance pay if they move between DoD NAF and DoD APF civil service positions without a break in service of more than three days. Employees who are entitled to APF severance pay and who move to DoD NAF positions without a break in service of more than three days may be eligible to have the APF severance pay resumed if they are later involuntarily separated from the NAF position. (Title 5 U.S.C. 5595 (h); 5 CFR 550.709 (f); DoDI 1400.25, Vol 550, Enclosure 3, para 5.a, and Vol 1405, Appendix 5 to Enclosure 3 section 7).

**5.9. HEALTH AND LIFE INSURANCE.** Health and life insurance are not portable benefits. The rules of the gaining employment system's benefit plans apply.

### **a. NAF to Civil Service.**

#### **(1) Health Insurance.**

(a) Eligible employees may elect to join the Federal Employees Health Benefits (FEHB) Program within 60 days of appointment.

(b) Advise employees that FEHB coverage is not retroactive to the date of hire. FEHB only covers expenses that occur on or after the effective date of enrollment. APF civil service HROs should provide an enrolling employee with the expected date of FEHB coverage. Find information about [FEHB](#) for new civil service employees at OPM's website, <https://www.opm.gov/healthcare-insurance/healthcare/enrollment/new-federal-employee-enrollment/>.

(c) Under DoD policy, a NAF employee who is enrolled in the NAF Health Benefits Program (HBP) and who moves to a DoD APF civil service position without a break in service of more than 3 days, remains covered by the NAF HBP for 31 days, or until the employee becomes covered by FEHB, whichever comes first (DoDI 1400.25, Volume 1408, Enclosure 5, paragraph 14).

**(2) Life Insurance.** Eligible employees are automatically enrolled in Federal Employees Group Life Insurance (FEGLI) for Basic coverage upon appointment unless waived. Employees will have 60 days to elect optional insurance coverage.

**b. Civil Service to NAF.**

(1) **Health Insurance.** Eligible employees may elect to join the DoD NAF Health Benefits Program (HBP) within 31 days of appointment to the NAF position. Employees covered by FEHB will have the normal 31 day extension of coverage.

(2) **Life Insurance.** Eligible employees may enroll in the NAF employer's life insurance program under the employer's provisions for new employees. Employees should ask the appointing HRO about those specific eligibility requirements. Employees covered by FEGLI will receive the normal 31 day extension of coverage with the option for conversion.

## **SECTION 6: PORTABILITY OF RETIREMENT COVERAGE - MOVES ON OR AFTER DEC 28, 2001**

### **6.1. GENERAL.**

a. An employee who makes a qualifying move between a civil service and NAF position on or after December 28, 2001, is eligible to elect to continue coverage in the retirement system that covered the employee before the qualifying move. (Title 5 U.S.C. 8347 (q) and 8461 (n); title 5 CFR, part 847; DoDI 1400.25, Volume 1408, Enclosure 3, paragraph 4.c.; 5 CFR 847.202 defines qualifying move).

b. CSRS election opportunities also apply to employees covered by CSRS-Offset. FERS election opportunities also apply to FERS Revised Annuity Employees (FERS RAE) and FERS Further Revised Annuity Employees (FERS-FRAE).

### **6.2. ELIGIBILITY CRITERIA.**

a. The eligibility criteria for retirement elections are different from the criteria for portability of non-retirement benefits. Eligibility for retirement portability permits the employee to move to a position outside of DoD and allows a break in service longer than 3 days, but no more than one year.

b. To elect to continue coverage in the losing employment system's retirement plan, the employee must:

(1) Move between a CSRS or FERS retirement-covered civil service position in any agency and a retirement-covered NAF position in DoD or Coast Guard;

(2) Move without a break in service of more than one year, and

(3) Not have had a prior opportunity to elect to continue the same retirement coverage.

c. The term "retirement-covered" NAF position means that the employee is a participant in the NAF defined benefit plan covering the employee's position at the time of the move. Participation only in the NAF defined contribution (401K) plan does not entitle the employee to an election to retain NAF retirement coverage.

### **6.3. DETERMINING IF EMPLOYEE IS ELIGIBLE FOR A RETIREMENT COVERAGE ELECTION.**

a. Appointing HROs must identify any newly hired employee who makes a qualifying move between NAF and civil service positions. The HRO must confirm that the employee was a covered participant in the losing employment system's retirement plan and confirm the date of separation.

b. The job aids in Appendix 6A and 6B assist in determining eligibility. The appendices also contain model requests for confirming retirement plan participation. Appendix 6A pertains to employees moving from DoD NAF positions to Civil Service positions. Appendix 6B pertains to employees moving from Civil Service positions to DoD NAF positions.

c. A list of APF civil service and NAF retirement benefit points of contact is in Section 12 of this Guide.

**6.4. RETIREMENT COVERAGE ELECTIONS.** 5 CFR, Part 847, Subpart B, contains the regulations on continuing retirement coverage after a qualifying move between the NAF and civil service systems. [OPM BAL 02-102](#), dated May 1, 2002, contains additional information and election forms. This BAL is located on OPM's archived BAL Tab (2002 – 1995) at: <https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters>, Tab (2002 – 1995).

**Table 3: Retirement Election Options for Employees Moving from NAF to Civil Service**

<b>Retirement Election Option</b>	<b>Effect on Retirement Plan Contributions</b>	<b>Effect on TSP/401k Participation and Contributions</b>
Remain in NAF retirement plan; or	APF civil service employer forwards employer contributions and employee deductions to NAF retirement plan.	APF civil service employer forwards all required NAF employer and employee contributions to NAF 401(k). Employee may not join TSP.
Join FERS retirement plan (or re-join CSRS/ CSRS Offset if eligible); no transfer of NAF service for civil service retirement benefit.	APF civil service employer forwards employer contributions and employee deductions to civil service retirement plan.	APF civil service employer forwards employer and employee contributions to TSP. Employee may no longer contribute to NAF 401(k). Employee may roll over NAF 401(k) funds into TSP.

**Table 4: Retirement Election Options for Employees Moving from Civil Service to NAF**

<b>Retirement Election Option</b>	<b>Effect on Retirement Plan Contributions</b>	<b>Effect on TSP/401k Participation and Contributions</b>
Remain in CSRS, CSRS Offset, or FERS; or	NAF employer forwards employer contributions and employee deductions to appropriate civil service retirement plan.	NAF employer forwards required employer and employee contributions to TSP. Employee may not join NAF 401(k) plan.
Join NAF retirement plan; no transfer of CSRS or FERS service for NAF retirement benefit.	NAF employer forwards employer contributions and employee deductions to NAF retirement plan.	NAF employer forwards required employer and employee contributions to NAF 401(k) plan. Employee may no longer contribute to TSP. Employee may roll over TSP funds to the applicable 401(k) plan, under the rules of the NAF 401(k) plan.

## 6.5. EMPLOYER AND EMPLOYEE CONTRIBUTIONS AND DEDUCTIONS.

### a. Election to Retain NAF Retirement Plan.

(1) If a civil service employee elects to remain in the NAF retirement plan, the APF HR/payroll offices obtain the current employer and employee retirement deduction and contribution rates from the appropriate NAF Component retirement system (Component points of contact are listed in Section 12). The APF civil service HR/payroll offices also obtain information on contributions to the applicable NAF 401(k) plan, including 401(k) loan repayments.

(2) Employee and employer contributions and deductions for employees who elect to remain in the NAF plan are calculated in exactly the same way as the actual contribution for a NAF employee in the applicable NAF retirement and 401(k) plans. For example, if the NAF employer contribution to the Component NAF defined benefit plan is 7.6% of a NAF employee's salary, the appointing APF civil service employer will make a 7.6% of salary contribution to the NAF retirement plan for an employee who retained that NAF coverage.

(3) APF civil service HROs should be aware that the rules for NAF defined benefit and 401(k) defined contribution plans differ from those covering CSRS/FERS/TSP. Enrollment may not be mandatory and waiting periods may or may not apply. The employee must have been participating in the NAF defined benefit plan at the time of the move in order to have a retirement coverage election. If the employee elects to remain in the NAF plan, the NAF Component's rules apply for all future retirement coverage.

(4) Employer and employee deductions and contributions to the NAF retirement and 401(k) plans and applicable 401(k) loan repayments are made biweekly and submitted to the appropriate NAF employee benefit system. Federal Insurance Contributions Act (FICA) deductions are made and reported in accordance with current guidance from the Department of the Treasury. (DoD 7000.14-R, Volume 8, "Civilian Pay Policy," chapter 4, Paragraph 040303. "[DoD Employees Covered By Retirement Systems for Nonappropriated Fund Instrumentalities](http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_08.pdf)," [http://comptroller.defense.gov/Portals/45/documents/fmr/Volume\\_08.pdf](http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_08.pdf).)

### b. Election to Retain CSRS or FERS.

(1) If a NAF employee elects to remain in CSRS or FERS, the NAF HR/payroll offices remit the current CSRS/FERS/TSP employer and employee retirement deduction and contribution rates.

(2) The NAF HRO uses [Form TSP-19](#), "Transfer of Information Between Agencies," to obtain TSP information from the losing civil service employer. The form is available at <https://www.tsp.gov/PDF/payrollforms/tsp-19.pdf>. A copy is at Appendix 6B.

(3) The NAF HR/payroll/benefit office withholds employee retirement deductions, makes the appropriate agency contributions, and sends the amounts to OPM for deposit. The NAF employer also forwards the employee's TSP contributions and the required employer matching contribution to TSP. FICA is withheld and reported in accordance with current guidance from the Department of Treasury. (DoD 7000.14-R, Volume 13, "Nonappropriated

Funds Policy,” Chapter 8, Paragraph 0807, “[Employee Benefit Portability Program](#),” [http://comptroller.defense.gov/Portals/45/documents/fmr/Volume\\_13.pdf](http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_13.pdf); 5 CFR, sections 847.209 (CSRS and FERS retirement contributions) and 1620.32 (TSP contributions)).

(4) NAF employers should be aware that the employee and employer contributions are different for FERS, FERS-RAE, and FERS-FRAE. Be sure to use the correct retirement coverage code, and deduction and contribution percentage rates.

## **6.6. DOCUMENTING THE ELECTION.**

### **a. Moves from NAF to Civil Service.**

(1) Use [Form RI 38-134](#), for elections to retain NAF retirement coverage. <https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102a.pdf>. A copy of the form and instructions is at Appendix 6A.

(2) HROs follow the election form instructions to document the employee’s election. A copy of the completed election form, along with retirement coverage verification received from the NAF employer, must be placed in the employee’s personnel records.

(3) Eligible employees may make a retirement coverage election at the time of appointment, or take up to 30 days after the date of appointment to make an election.

(a) If the employee makes an immediate retirement coverage election, only one SF-50 is needed to process the retirement election.

(b) If the employee delays an election to retain NAF coverage, it will be necessary to cut two SF-50s to process the retirement election. The first SF-50 serves as the retirement coverage action until the employee makes his or her decision. The APF civil service HRO completes the normal appointment SF-50 and determines the appropriate retirement coverage. In most situations, the employee will be FERS. In a few situations, the employee may have previous CSRS-covered service and be vested in CSRS, in which case the employee is placed in CSRS Offset. If the employee elects to retain NAF retirement coverage within 30 days of appointment, the HRO must correct the SF-50 to reflect the NAF retirement coverage election.

(4) The HRO should use OPM’s “[Guide to Processing Personnel Actions](#)” to locate the appropriate nature of action codes, authority codes, and other pertinent information for processing the appointment SF-50. (<https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/>). For example, for moves to competitive civil service positions, the [OPM Guide’s Table 9-I, Rule 57](#), states that the remark “B63” is used to indicate retention of the NAF retirement system. The remark on the SF 50 should be “Employee elected to retain coverage under a retirement system for NAF employees.” <https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/processing-personnel-actions/gppa09.pdf>.

(a) OPM’s “[Guide to Personnel Data Standards](#),” ([www.opm.gov/policy-data-oversight/data-analysis-documentation/data-policy-guidance/reporting-guidance/part-a-human-](http://www.opm.gov/policy-data-oversight/data-analysis-documentation/data-policy-guidance/reporting-guidance/part-a-human-)

resources.pdf?clearcache=1) under “Retirement Plan,” lists code “5” as the “Other Retirement System” code for employees who have retained coverage under a retirement system for NAF employees.

(b) The APF civil service HR/payroll office follows DCPDS and payroll data element coding instructions to identify the specific NAF employer retirement plan (A = Department of the Army; B = Navy (CNIC/BUPERS); C = NEXCOM; D = Department of the Air Force; E = Marine Corps; F = AAFES).

(c) The APF civil service HRO further documents an election to retain NAF retirement coverage by placing a “NOTICE OF NAF ELECTION” flag in the employee’s MRPF (paper or electronic). A copy of the flag is at Appendix 6A.

(d) The NAF retirement plan may require completion of specific Component forms documenting NAF 401(k) plan coverage continuation. The APF civil service HRO will need to contact the applicable NAF retirement plan’s point of contact to confirm the necessary forms and process.

#### **b. Moves from APF Civil Service to NAF.**

(1) [Form RI 38-144](#), for elections to retain civil service retirement coverage, is used regardless of whether the employee’s election pertains to CSRS, CSRS-Offset, FERS, FERS-RAE, or FERS-FRAE. A copy of the form and instructions is at Appendix 6B. (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102e.pdf>.)

(2) HROs follow the election form instructions to document the employee’s election. A copy of the completed election form, along with retirement coverage verification received from OPM, must be placed in the employee’s personnel records.

(3) Eligible employees may make a retirement coverage election at the time of appointment, or take up to 30 days after the date of appointment to make an election. NAF retirement coverage rules apply until the employee makes an election. If the employee elects to retain CSRS or FERS coverage within the time limit, the NAF HRO must correct the appropriate NAF personnel action forms to reflect the APF civil service retirement coverage. Follow the Component’s NAF HR, payroll, and benefit procedures.

(4) If the employee elects to continue CSRS or FERS, ensure that the appropriate OPM and TSP forms and documentation are prepared and submitted.

(5) If the employee elects not to retain CSRS or FERS coverage, the NAF HRO submits an Employee Data Record to TSP reporting the employee’s separation from civil service employment as of the date of the move (5 CFR section 1620.36).

(6) The NAF HRO further documents an election to retain CSRS or FERS retirement coverage by placing a “NOTICE OF CSRS/FERS ELECTION” flag in the employee’s MRPF (paper or electronic). A copy of the flag is at Appendix 6B.

## **6.7. TIME LIMIT FOR MAKING AN ELECTION.**

a. Employees have 30 days from the date of the qualifying move to make a retirement coverage election. Agencies may waive the time limit if the employee was not given a timely opportunity or was prevented from making an election within the time limit (5 CFR 847.206).

b. If the employee does not make an election within the required time period, the employee is considered to have chosen not to retain the retirement coverage they had prior to the portability move. The employee will be covered by their new position's retirement plan.

**6.8. EFFECTIVE DATE OF ELECTION.** Retirement coverage elections are effective on the date of the qualifying move, i.e., the date of appointment (5 CFR 847.207).

## **6.9. EFFECT OF RETIREMENT COVERAGE ELECTION.**

### **a. Election not to Retain Coverage.**

(1) An employee who elects not to retain coverage in the losing employment system's retirement plan will enter the gaining system's retirement plan. There is no transfer of retirement service credit or funds into the new retirement plan.

(2) The employee may not continue to make contributions to the losing system's defined benefit plan or the TSP/401(k) plan.

(3) The employee will never be offered another opportunity to retain coverage in that retirement plan.

### **b. Election to Retain Coverage.**

(1) An election to remain covered in the losing retirement system is considered an irrevocable election.

(2) The employee will continue to be covered by that retirement system for all future periods of federal service not otherwise excluded from retirement coverage.

(3) Regardless of future moves between NAF and civil service employment, in or out of DoD, breaks in service, and retirement status (including any periods of service as a reemployed annuitant), the employee's retirement coverage remains with the plan in which the employee elected to retain membership. (Title 5 U.S.C. 8347(q) and Title 5 U.S.C.8461(n); 5 CFR, Part 847)

(4) An employee who elects to remain covered by a NAF retirement plan retains coverage in that specific DoD Component NAF plan, regardless of future moves to a different DoD Component.

(5) Employees who elect CSRS/FERS coverage are covered by Thrift Savings Plan (TSP) eligibility and contributions requirements (5 CFR, Part 1620, Subpart D). Those employees are not eligible to participate in a NAF 401(k).

(6) Employees who elect NAF retirement system coverage are covered by their Component NAF 401(k) plan's eligibility and contribution requirements. Those employees are not eligible to participate in TSP.

(a) Each of the six NAF 401(k) plans has different employer match formulas, eligibility, and participation rules.

(b) The NAF employer's retirement plan point of contact can provide information on the contribution requirements and plan rules. NAF retirement benefit points of contact are listed in Section 12 of this Guide.

## **6.10. ANNUITANTS' ELIGIBILITY FOR RETIREMENT COVERAGE ELECTIONS.**

### **a. General.**

(1) An employee may, if eligible, retire from the losing employment system's retirement plan before moving to a position in the gaining employment system.

(2) An annuitant must meet the same eligibility criteria as a non-annuitant to qualify for a retirement portability election (move between retirement-covered positions; move without a break in service of more than one year; and not have had a prior opportunity to make the same retirement coverage election).

(3) Many employees move between NAF and civil service positions several times during their careers and may participate in, and retire from, more than one retirement system.

(4) Annuitant status and previous retirement coverage elections affect an employee's retirement coverage election eligibility. Special rules apply to CSRS and FERS annuitants (see Paragraph 6.10.c. below). The hiring HRO should seek guidance from Component specialists, who will contact DCPAS experts if the employee's eligibility for a retirement coverage election is unclear.

### **b. Retirement Coverage Elections.**

(1) If the employee elects to continue retirement coverage in the system from which retired, the employee is considered a reemployed annuitant subject to the laws, regulations, and policies of that retirement system.

(a) CSRS or FERS law, regulations, and policy, and DoD employment policy in DoDI 1400.25, Volume 300 apply to reemployed CSRS and FERS annuitants.

(b) Reemployed NAF annuitants are subject to the applicable Component retirement plan rules for employment of annuitants.

(2) If the employee elects to become subject to the gaining system's retirement plan, the employee is not considered a reemployed annuitant (as defined by the system from which retired) while employed by the gaining employment system.

**c. CSRS/FERS Reemployed Annuitants.**

(1) With certain exceptions, CSRS and FERS annuitants who are reemployed in civil service positions on or after November 24, 2003 are not considered employees for purposes of CSRS or FERS coverage. (Title 5 U.S.C. 9902(g); DoDI 1400.25, Volume 300, Enclosure 2, Section 3)

(2) A CSRS/FERS annuitant who accepts a NAF appointment and becomes subject to the NAF retirement plan is not a reemployed civil service annuitant while in the NAF position.

(a) If the individual subsequently moves to a civil service position, that individual will be covered under the Title 5 U.S.C. 9902(g) and DoDI 1400.25, Volume 300 reemployed CSRS or FERS annuitant rules.

(b) With certain exceptions, the individual would not be considered to be moving to a CSRS or FERS retirement-covered position and would not be eligible for a portability election to remain in the NAF plan. (DoDI 1400.25, Volume 1408, Enclosure 3, 4.c.).

**6.11. DEATH OF EMPLOYEE DURING ELECTION OPPORTUNITY PERIOD.**

a. If an eligible employee dies before making an election during the 30 day election opportunity period, the employee is deemed to have elected to remain in the retirement system that covered the employee before the qualifying move (5 CFR, section 847.211 (a)).

b. The employee's eligible survivor may, within 30 days of notification, choose to decline the deemed election. (5 CFR, section 847.211 (b) and (c)).

**6.12. EMPLOYEES WHO ARE NOT ELIGIBLE FOR A RETIREMENT COVERAGE ELECTION.**

a. If the agency determines the employee is not eligible to make an election, it must issue a final decision to the employee. The final decision must be in writing and provide the findings and conclusions of the agency. (5 CFR 847.106)

b. The agency decision must contain notice of Merit System Protection Board (MSPB) appeal rights with respect to the employee's rights or interests under CSRS or FERS. The agency decision is not subject to review under any employee grievance procedures. (5 CFR 847.107)

c. The MSPB does not review decisions related to coverage under the NAF retirement system.

## APPENDIX 6A: RETIREMENT ELECTION FORMS AND INSTRUCTIONS FOR EMPLOYEES MOVING FROM NAF TO CIVIL SERVICE POSITIONS ON OR AFTER DEC 28, 2001

**Table 5: Job Aid to Assist in Determining Eligibility to Retain NAF Retirement Coverage Following a Move to a Civil Service Position on or after December 28, 2001**

Eligibility Criteria	Actions
<p><b>1. Is the move between retirement-covered positions?</b> The employee must move from a NAF retirement-covered position to an APF civil service position covered by a civil service retirement plan. Verify NAF defined benefit retirement plan participation using the model request for verification at Figure 1 of this appendix (this model request is also found in OPM BAL 02-102, Attachment C).</p>	<p><b>Yes.</b> Go to <b>step 2</b>.</p> <p><b>No.</b> If the gaining or losing position does not provide retirement coverage, the employee is not eligible to retain NAF retirement coverage. For example, the employee cannot retain NAF retirement coverage if the move is to a civil service position that does not provide retirement coverage.</p>
<p><b>2. Is the break in service no more than one year?</b> The employee must begin employment in a civil service retirement-covered position no later than 1 year after separation from NAF retirement-covered employment. (Note: An appointment during the 1-year break which is not subject to retirement coverage does not invalidate an otherwise qualifying move.)</p>	<p><b>Yes.</b> Go to <b>step 3</b>.</p> <p><b>No.</b> If the break in service is more than one year, the employee is not eligible to retain NAF retirement coverage.</p>
<p><b>3. Is this the employee's first opportunity to elect to retain NAF retirement coverage?</b> Review the OPF to determine if the employee was given a prior opportunity to elect to continue NAF retirement coverage following a previous move from NAF to APF civil service. If the employee was given a prior opportunity, the OPF should contain an election form (RI 38-134 for moves on or after 12/28/01; NAF-CS-1 for moves occurring on or after 8/10/96, but before 12/28/01; a retroactive election under Public Law 104-106; or RI 38-110 for moves occurring on or after 1/1/87, but before 8/10/96).</p>	<p><b>Yes.</b> Go to <b>step 4</b>.</p> <p><b>No.</b> If the employee was given a prior election to retain NAF retirement coverage, he or she is not eligible for another opportunity to retain that coverage as an APF civil service employee. Provide employee with written final decision.</p>
Election Procedure	Action
<p><b>4. Provide Election to Employee</b></p>	<p>Give employee form RI 38-134. Follow form instructions.</p>

**Figure 1: Model Request for Verification that Employee was a Participant in a NAF Retirement Plan**

Model Request Form: <https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102c.pdf>

***[insert name and address of previous retirement system.]***

Dear Retirement Plan Administrator:

We hired the individual named below on ***[insert date of employment subject to retirement coverage]***. We are trying to determine if *he/she* is eligible to elect to retain NAF retirement coverage based on a qualifying move occurring on or after December 28, 2001. Please verify whether or not the individual was a covered participant in the NAF defined benefit retirement plan you administer. If the individual was such a participant, please provide the date the individual separated from retirement covered NAF employment. Please return your response to:  
***[insert name, address, telephone number, and fax number.]***

Thank you.

<i>To be completed by individual's current employing agency</i>	
Employee's Name (Last, First, MI)	Other names used
Date of Birth:	Social Security Number:
Dates of most recent NAF employment:	
Location of most recent NAF employment:	

<i>To be completed by NAF Retirement Plan Administrator</i>	
<input type="checkbox"/> Employee was a participant in the _____ NAF defined benefit retirement plan and separated from retirement-covered employment (as defined by the NAF employer's retirement plan) on _____.	
<input type="checkbox"/> Employee was not a participant in the _____ retirement plan and is therefore not eligible to continue retirement coverage under this plan.	
Signature of certifying official	Date
Certifying official printed name	Title
Address, telephone number, and fax number	

Figure 2: RI 38-134, Election to Retain NAF Retirement Coverage, Page 1

The copy of [RI 38-134](#) below is for information purposes. HROs use the [fillable form](#). (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102a.pdf>)

**Election to Retain NonAppropriated Fund (NAF) Retirement Coverage  
As a Result Of A Move From A NonAppropriated Fund Position To A  
Civil Service Position On or After December 28, 2001**



**Instructions:** The Human Resources Office will complete Part 1 of this form and give it to the employee. The employee must indicate his/her election by signing in Part 3 and returning the signed form to the Human Resources Office on or before the due date shown in Part 1.

**Part 1 - (To be completed by agency)**

Employee's name <i>(last, first, middle)</i>	Date of birth <i>(mm/dd/yyyy)</i>	Social Security Number
Name of NAF Retirement Plan	Due date <i>(mm/dd/yyyy)</i> Human Resources Office must receive election on or before _____	

I verify that in accordance with §§ 8347(q) and 8461(n) of title 5, U.S.C., and OPM regulations at 5 CFR part 847, this employee is eligible to retain coverage in the NAF retirement plan because he/she —

- (1) Has never previously had an opportunity to elect to retain coverage in a NAF retirement plan; and
- (2) Has moved, on or after December 28, 2001, from a NAF position subject to a NAF retirement plan to a civil service appointment covered by CSRS, CSRS Offset, or FERS without a break of more than 1 year.

Authorized Signature	Date of move <i>(mm/dd/yyyy)</i>
Title	Date signed <i>(mm/dd/yyyy)</i>

**Part 2 - Acknowledgement of Receipt and Notice of Effect of Failure to Elect**

I understand that I am eligible to retain retirement coverage in the NAF retirement plan shown above. I acknowledge that the Human Resources Office has completed Part 1 of this election form and given it to me on this date. I understand that if I fail to complete Part 3 and return the completed form to the Human Resources Office before the close of business on the Due Date (shown in Part 1) I will automatically be considered to have chosen Option 2 in Part 3. I also understand that the option I choose below (or am automatically considered to have chosen) will restrict my retirement plan entitlement for the rest of my Government career and that I can never change this election regarding retention of NAF retirement coverage as a civil service employee.

Employee's Signature	Date <i>(mm/dd/yyyy)</i>
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**Part 3 - Employee's Election (Instructions to employee: Sign only the box for the option that you elect.)**

**Option 1:** I elect to retain retirement coverage in the NAF retirement plan. I understand that because of this irrevocable decision, I will never be able to earn additional credit under the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). I understand that regardless of future moves between NAF and civil service employment, breaks in service, and changes in employment or retirement status, my retirement coverage will remain with a NAF retirement plan in accordance with the rules of that plan.

Employee's signature	Date <i>(mm/dd/yyyy)</i>
----------------------	--------------------------

**Option 2:** I do **not** elect to retain retirement coverage in the NAF retirement plan. Because I have made this decision:

- (1) I will enter FERS, CSRS, or CSRS Offset coverage as appropriate. In the future, I may be able to elect to credit my NAF service to qualify for an immediate FERS, CSRS, or CSRS Offset retirement. I will only be able to make such an election at the time I retire. I understand that my NAF service will not increase the amount of any future FERS, CSRS, or CSRS Offset annuity to which I may become entitled.
- (2) I will not be given another opportunity to retain coverage in a NAF retirement plan if I ever move from a NAF position to a civil service appointment in the future. However, if I move back to a NAF position, I will be subject to the NAF plan in accordance with its rules.
- (3) If in the future I move back to a NAF retirement covered position without a break in service of more than 1 year, including employment covered by the NAF retirement plan that I am leaving, I will be given a one-time opportunity (if I never before have been given the opportunity) to elect to retain coverage in FERS, CSRS, or CSRS Offset as appropriate, or to enter the appropriate NAF plan without transfer of FERS, CSRS, or CSRS Offset service credit.

Employee's signature	Date <i>(mm/dd/yyyy)</i>
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*(Instructions on the reverse)*

This form may be locally reproduced RI 38-134  
April 2002

Print Form

Save Form

Clear Form

**Figure 3: RI 38-134, Election to Retain NAF Retirement Coverage, Page 2, Instructions**

**Instructions for Completing Election Form RI 38-134  
Election to Retain NonAppropriated Fund (NAF) Retirement Coverage As a Result Of A  
Move From A NonAppropriated Fund Position To A Civil Service Position  
On or After December 28, 2001**

**The Human Resources Office should:**

- (1) Complete Part 1 of the form and photocopy it. The due date is 30 days after the date of appointment. (This time limit may be waived by the agency for employees who, despite due diligence, are prevented by circumstances beyond their control from making an election within the time limit.)
- (2) Give the original and the photocopy to the employee. Instruct the employee to read and acknowledge receiving the form by signing Part 2 of one copy of the form.
- (3) Collect the copy of the form the employee signed (with Parts 1 and 2 completed), and file it on the left side of the Official Personnel Folder (OPF), or in some other temporary file. Keep it there until the employee makes an election, or the time limit for making the election expires.
- (4) If the employee makes an election by signing either Option 1 or Option 2 in Part 3, mark the date you received the form. Make two photocopies of the form. File the form with the original signature in Part 3 on the right hand side of the OPF. Return one copy to the employee. Mail the other copy to the appropriate NAF benefits office. Destroy the copy of the form with Part 2 completed.  
  
If the employee fails to return the election form before the time limit expires, note on the form with Part 2 completed that the employee did not file a form with Part 3 completed, and file it on the right hand side of the OPF.
- (5) If the employee elects to retain coverage in the NAF plan, place the Notice of NAF Election flag on the right side of the OPF. This flag will serve to alert subsequent employing offices that the employee is covered by a NAF plan and is excluded from CSRS, CSRS Offset, or FERS.

**The Employee should:**

- (1) Acknowledge receiving the form by signing Part 2 of one copy and returning it to the Human Resources Office.
- (2) Keep a copy of the form with only Part 1 completed.
- (3) Make a retirement coverage election by signing Option 1 or Option 2 in Part 3 of the form. Submit the election to the Human Resources Office by the Due Date shown in Part 1. If you fail to submit an election by the due date, you will be considered to have elected Option 2 in Part 3.

Link to [RI 38-134](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102a.pdf) (https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102a.pdf)

Figure 4: Notice of NAF Election

**NOTICE OF NAF ELECTION  
RETIREMENT COVERAGE ELECTION UNDER SECTION 1131 OF  
PUBLIC LAW 107-107**

THIS EMPLOYEE HAS ELECTED TO RETAIN COVERAGE UNDER THE NONAPPROPRIATED FUND (NAF) RETIREMENT PLAN IDENTIFIED BELOW AND IS EXCLUDED FROM COVERAGE UNDER CSRS AND FERS

For further information, contact the NAF retirement plan identified below:

	<b>Department of the Army</b>	<b>(210) 466-1638, (DSN 450)</b>
	<b>Department of the Air Force</b>	<b>(210) 395-7438, (DSN 969)</b>
	<b>U.S. Marine Corps</b>	<b>(703) 432-0418 or (703) 432-0419 (DSN 378)</b>
	<b>Commander, Naval Installation Command</b>	<b>(901) 874-6651, (DSN 882)</b>
	<b>Navy Exchange Service Command</b>	<b>(757) 440-4718</b>
	<b>Army and Air Force Exchange Service</b>	<b>(214) 312-3593, (DSN 967)</b>
	<b>United States Coast Guard</b>	<b>(757) 842-4790</b>

**Instructions for Completing Notice of NAF Election**

- Complete this flag when an employee elects to continue NAF retirement coverage under Section 1131 of Public Law 107-107
- Identify the appropriate NAF retirement plan contact by marking the box to the left of the plan.
- *File this document on the right hand side of the OPF with the employee's NAF retirement election.*

## APPENDIX 6B: RETIREMENT ELECTION FORMS AND INSTRUCTIONS FOR EMPLOYEES MOVING FROM CIVIL SERVICE TO NAF POSITIONS ON OR AFTER DEC 28, 2001

**Table 6: Job Aid to Assist in Determining Eligibility to Retain CSRS or FERS Coverage Following a Move to a NAF Position on or after Dec 28, 2001**

Eligibility Criteria	Actions
<p><b>1. Is the move between retirement-covered positions?</b> The employee must move from an APF civil service position covered by CSRS or FERS to a NAF position covered by a NAF retirement plan. Verify civil service retirement coverage and date of separation from the retirement-covered position using the model request for verification at Figure 5 of this appendix.</p>	<p><b>Yes.</b> Go to <b>step 2</b>.</p> <p><b>No.</b> If the gaining or losing position does not provide retirement coverage, the employee is not eligible to retain CSRS or FERS retirement coverage. For example, the employee cannot retain CSRS or FERS coverage if the move is to a Flexible NAF position not covered by a NAF defined benefit retirement plan.</p>
<p><b>2. Is the break in service no more than one year?</b> The employee must begin employment in a NAF retirement-covered position no later than 1 year after separation from CSRS or FERS-covered employment. (Note: An appointment during the 1-year break which is not subject to retirement coverage does not invalidate an otherwise qualifying move.)</p>	<p><b>Yes.</b> Go to <b>step 3</b>.</p> <p><b>No.</b> If the break in service is more than one year, the employee is not eligible to retain CSRS or FERS retirement coverage.</p>
<p><b>3. Is this the employee's first opportunity to elect to retain CSRS or FERS retirement coverage?</b> Review the OPF to determine if the employee was given a prior opportunity to elect to continue CSRS or FERS retirement coverage following a previous move from civil service to NAF. If the employee was given a prior opportunity, the OPF should contain an election form (RI 38-144 for moves on or after 12/28/01; CSRS-NAF-1 or FERS-NAF-1 for moves occurring on or after 8/10/96, but before 12/28/01; a retroactive CSRS or FERS election under Public Law 104-106; or RI 20-103 or RI-92-27 for moves occurring on or after 1/1/87, but before 8/10/96).</p>	<p><b>Yes.</b> Go to <b>step 4</b>.</p> <p><b>No.</b> If the employee was given a prior election to retain CSRS or FERS, he or she is not eligible for another opportunity to retain that coverage as a NAF employee.</p>
Election Procedure	Action
<p><b>4. Provide Election to Employee</b></p>	<p>Give employee form RI 38-144. Follow form instructions.</p>

**Figure 5: Model Request for Verification of CSRS, CSRS Offset, or FERS Retirement Coverage**

Mail the request to the last servicing Human Resources Office if appointment to the NAF position is within 90 days of separation from the civil service position. If the NAF appointment is more than 90 days after the separation, mail the verification request to:

U.S. Office of Personnel Management  
 Retirement Operations Center  
 P.O. Box 45  
 Boyers, PA, 16017

Dear \_\_\_\_\_ :

We hired the individual named below in a retirement-covered Nonappropriated Fund position on *(Insert date of employment subject to retirement coverage)*. We are trying to determine if the individual is eligible to elect to retain CSRS, CSRS Offset, or FERS retirement coverage based on a qualifying move occurring on or after December 28, 2001. Please verify whether or not the individual was covered by the CSRS, CSRS Offset, or FERS retirement plan. If the individual was a participant, please provide the date the individual separated from retirement-covered civil service employment. Please return your response to:

*(Insert name, address, telephone number, and fax number.)*

Employee's name (Last, First, MI):	Other names used:
Date of birth:	Social Security Number:
Agency in which employed in a civil service position:	Location of employment:
Dates of most recent employment in a retirement-covered civil service position:	
Please provide the following information:	
<input type="checkbox"/> Employee was a participant in the _____ retirement system and separated from retirement-covered employment on _____.	
<input type="checkbox"/> Employee was not a participant in a civil service retirement system and is therefore not eligible to continue civil service retirement coverage.	
Signature of certifying official:	Date:
Title:	
Address and telephone number:	

Figure 6: Fillable Form RI 38-144, Election to Retain CSRS, CSRS Offset, or FERS

Copy provided for information purposes. HROs please use the [fillable form](#).  
 (https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102e.pdf)

**Election to Retain CSRS, CSRS Offset, or FERS Retirement Coverage As a Result Of A Move From A Civil Service Position To A NonAppropriated Fund (NAF) Position On or After December 28, 2001**

**Instructions:** The Human Resources Office will complete Part 1 of this form and give it to the employee. The employee must indicate his/her election by signing in Part 3 and returning the signed form to the Human Resources Office on or before the due date shown in Part 1.

<b>Part 1 - (To be completed by agency)</b>		
Employee's name <i>(last, first, middle)</i>	Date of birth <i>(mm/dd/yyyy)</i>	Social Security Number
Name of Civil Service Retirement Plan <i>(CSRS, CSRS Offset, or FERS)</i>	Due date <i>(mm/dd/yyyy)</i> Human Resources Office must receive election on or before _____	
I verify that in accordance with § 8347(q) and § 8461(n) of title 5 U.S.C., and OPM regulations at 5 CFR part 847, this employee is eligible to retain the civil service retirement plan identified in this part because he/she —		
(1) Has never previously had an opportunity to elect to retain that civil service retirement coverage; and		
(2) Has moved, on or after December 28, 2001, from a covered civil service appointment to a retirement covered NAF position without a break in service of more than 1 year.		
Authorized signature	Date of move <i>(mm/dd/yyyy)</i>	
Title	Date signed <i>(mm/dd/yyyy)</i>	
<b>Part 2 - Acknowledgement of Receipt and Notice of Effect of Failure to Elect</b>		
I understand that I am eligible to retain the civil service retirement coverage shown above. I acknowledge that the Human Resources Office has completed Part 1 of this election form and given it to me on this date. I understand that if I fail to complete Part 3 and return the completed form to the Human Resources Office before the close of business on the Due Date (shown in Part 1) I will automatically be considered to have chosen Option 2 in Part 3. I also understand that the option I choose below (or am automatically considered to have chosen) will restrict my retirement plan entitlement for the rest of my Government career and that I can never change this election regarding retention of civil service retirement coverage as a NAF employee.		
Employee's Signature	Date <i>(mm/dd/yyyy)</i>	
<b>Part 3 - Employee's Election (Instructions to employee: Sign only the box for the option that you elect.)</b>		
<b>Option 1:</b> I elect to retain coverage under the civil service retirement plan identified in Part 1 of this election form. I understand that because of this irrevocable decision, I will never be able to earn additional credit under any NAF retirement plan. I understand that regardless of future moves between NAF and civil service employment, breaks in service, and changes in retirement status, my retirement coverage will remain with the civil service retirement plan identified in Part 1 in accordance with the rules governing that system.		
Employee's signature	Date <i>(mm/dd/yyyy)</i>	
<b>Option 2:</b> I do <i>not</i> elect to retain retirement coverage in the civil service retirement plan identified in Part 1 of this election form. Because I have made this decision:		
(1) I will enter a NAF retirement plan without receiving any service credit in the NAF retirement plan for time spent under that civil service retirement plan.		
(2) I will not be given another opportunity to retain coverage in that civil service retirement plan if I ever move from a civil service appointment to a NAF position in the future. However, if I move back to a civil service appointment, I will be subject to civil service retirement coverage (CSRS, CSRS Offset, or FERS) in accordance with the appropriate civil service coverage rules.		
(3) If in the future I move back to civil service employment without a break in service of more than 1 year, I will be given a one time opportunity (if I never before have had the opportunity) to elect to retain membership in the NAF retirement plan or to become covered by the appropriate civil service retirement coverage (CSRS, CSRS Offset, or FERS).		
Employee's signature	Date <i>(mm/dd/yyyy)</i>	

*(Instructions on the reverse)*

This form may be locally reproduced

RI 38-144  
April 2002

**Print Form**

**Save Form**

**Clear Form**

Figure 7: Fillable Form RI 38-144, Election to Retain CSRS, CSRS Offset, or FERS, Page 2, Instructions

**Instructions for Completing Election Form RI 38-144  
Election to Retain CSRS, CSRS OFFSET, or FERS Retirement Coverage As a Result  
Of A Move From A Civil Service Position To A DoD or Coast Guard NonAppropriated  
Fund (NAF) Position On or After December 28, 2001**

**The Human Resources Office should:**

- (1) Complete Part 1 of the form and make a copy. The due date is 30 days after the date of appointment. (This time limit may be waived by the DoD or Coast Guard Component for employees who, despite due diligence, are prevented by circumstances beyond their control from making an election within the time limit.)
- (2) Give both copies of the form to the employee and instruct the employee to read and acknowledge receipt by signing Part 2 of one copy of the form.
- (3) Collect the copy of the form that the employee signed (with both Parts 1 and 2 completed) and file it on the left side of the Official Personnel Folder (OPF), or in some other temporary file. Keep it there until the employee makes an election, or the time limit for making an election expires.
- (4) If the employee makes an election by signing under either Option 1 or Option 2 in Part 3 of the form, mark the date you received the form. Photocopy the form. File the form with the original signature in Part 3 on the right side of the OPF, and return the other copy to the employee. Destroy the copy of the form with Part 2 completed.  
  
If the employee fails to return the election form before the time limit expires, note on the form with Part 2 completed that the employee did not file a form with Part 3 completed, and file it on the right hand side of the OPF.
- (5) If the employee elects to retain coverage in CSRS, CSRS Offset, or FERS, place the *Notice of Civil Service Retirement Election* flag on the right side of the OPF. This flag will serve to alert subsequent employing NAF Components or civil service employers that the employee is covered by CSRS, CSRS Offset, or FERS and is excluded from coverage in a NAF retirement plan.

**The Employee should:**

- (1) Acknowledge receiving the form by signing Part 2 of one copy and returning it to the Human Resources Office.
- (2) Keep a copy of the form with only Part 1 completed.
- (3) Make a retirement coverage election by signing Option 1 or Option 2 in Part 3 of the form. Submit the election to the Human Resources Office by the Due Date shown in Part 1. If you fail to submit an election by the due date, you will be considered to have elected Option 2 in Part 3.

Figure 8: Notice of Civil Service Retirement Election

## NOTICE OF CIVIL SERVICE RETIREMENT ELECTION

### RETIREMENT COVERAGE ELECTION UNDER SECTION 1131 OF PUBLIC LAW 107-107

**THIS EMPLOYEE HAS ELECTED TO RETAIN COVERAGE UNDER THE CIVIL SERVICE RETIREMENT SYSTEM (CSRS), CSRS OFF-SET, OR FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS) AND IS EXCLUDED FROM COVERAGE UNDER A NONAPPROPRIATED FUND (NAF) RETIREMENT PLAN**

**For further information contact:**

DEPARTMENT OF DEFENSE DEFENSE CIVILIAN PERSONNEL ADVISORY SERVICE HR OPERATIONAL PROGRAMS & ADVISORY SERVICE BENEFITS AND WORK-LIFE PROGRAMS DIVISION BENEFITS AND ENTITLEMENTS BRANCH	Telephone: (703)882-5197  Email: dodhra.mc-alex.dcpas.mbx.benefits-contacts@mail.mil
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**\*\*File this document on the right side of the OPF with the employee's CSRS, CSRS Offset, or FERS retirement election.**

Figure 9: TSP Transfer of Information Between Agencies



## THRIFT SAVINGS PLAN

### TRANSFER OF INFORMATION BETWEEN AGENCIES

## TSP-19

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Gaining agencies must obtain the Thrift Savings Plan (TSP) account information of employees who transfer from other Federal agencies or who change payroll offices. The losing agency must provide the relevant TSP information to the gaining agency, whether or not the employee is contributing to the TSP. The gaining agency should provide a copy of the completed form to the employee and forward the original to the payroll office. A copy may also be filed in the employee's Official Personnel Folder.

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#### Section A Employee Information

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1. Name \_\_\_\_\_  
Last First Middle

2. Social Security No. \_\_\_\_ - \_\_\_\_ - \_\_\_\_\_ 3. Date of Birth   /  /  /   4. Effective Date of Transfer   /  /  /    
mm dd yyyy mm dd yyyy

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#### Section B Information to Be Transferred

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##### Enrollment Information

5. TSP Status Code (Enter the appropriate code): \_\_\_\_\_ 6. TSP Status Date   /  /  /    
A = Automatic Enrollment  
 E = FERS eligible for agency contributions but not contributing  
 Y = Contributing and, if FERS, eligible for agency contributions  
 T = Stopped contributions and, if FERS, eligible for agency contributions

7. TSP Service Computation Date (FERS only)   /  /  /   8. TSP Vesting Code \_\_\_\_\_  
mm dd yyyy

9. If TSP Status Code is **T** and employee is in the noncontribution period resulting from a financial hardship in-service withdrawal, indicate the ending day of this period.   /  /  /    
mm dd yyyy

10. **Contribution Election Information** — Enter the employee's tax-deferred contribution election in **a** and/or Roth contribution election in **b** below.

a. Tax-Deferred: \_\_\_\_\_ .0% **OR** \$ \_\_\_\_\_ .00  
 b. Roth: \_\_\_\_\_ .0% **OR** \$ \_\_\_\_\_ .00

11. Total employee contributions made for current year: \$ \_\_\_\_\_ as of   /  /  /    
mm dd yyyy

##### Catch-up Contributions

12. If the employee is currently making catch-up contributions, enter the dollar amount per pay period and the attributable calendar year for each type of contribution:

a. Tax-Deferred \$ \_\_\_\_\_ .00 for \_\_\_\_\_ year  
 b. Roth \$ \_\_\_\_\_ .00 for \_\_\_\_\_ year

13. Total catch-up contributions made for current year: \$ \_\_\_\_\_ .00 as of   /  /  /    
mm dd yyyy

##### Loan Information

14. Does employee have a TSP loan? (Check one.)  Yes (Complete Items below, as applicable.)  No (Skip to Item 22.)

**First Loan** 15. Account Number: \_\_\_\_\_ 16. Payment Amount \$ \_\_\_\_\_  
**Second Loan** 17. Account Number: \_\_\_\_\_ 18. Payment Amount \$ \_\_\_\_\_

19. If employee is currently in nonpay status, indicate the beginning date of the nonpay:   /  /  /    
mm dd yyyy

20. Type of Nonpay:  Military  Other

21. Date Agency submitted Form TSP-41 to TSP:   /  /  /    
mm dd yyyy

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#### Section C Identification of Losing Agency

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22. Agency Name and Location \_\_\_\_\_ 23. Payroll Office \_\_\_\_\_  
8-digit Identifying Number

24. Name of Contact Person \_\_\_\_\_ 25. Telephone (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_  
Area Code and Number

**Reproduce Locally**

Form TSP-19 (Revised 3/2013)  
PREVIOUS EDITIONS OBSOLETE

## **SECTION 7: RETIREMENT PORTABILITY - MOVES BETWEEN CIVIL SERVICE AND DOD NAF POSITIONS PRIOR TO DEC 28, 2001**

### **7.1. ELIGIBILITY.**

a. Prior to enactment of Sections 1131 and 1132 of Public Law 107-107, the retirement portability provisions of Section 1043 of Public Law 104-106, and Section 7202 of Public Law 101-508 applied to moves between APF civil service and DoD NAF positions.

b. The eligibility criteria established by Section 1043 of Public Law 104-106 applied to employee moves occurring on or after August 10, 1996, and before December 28, 2001 (5 CFR, 847.202 (c) and (d)).

(1) The eligibility criteria applicable to DoD required the employee to move on or after August 10, 1996, between an APF civil service position (in any agency) and a DoD NAF position.

(2) The break in service between retirement-covered employment must not have exceeded one year.

(3) The employee must have been a vested participant in his or her retirement plan prior to the move.

(4) The employee must not have had a prior opportunity to continue the same retirement coverage based on a prior qualifying move.

c. Certain employees who moved prior to August 10, 1996, were eligible for retroactive retirement coverage elections under Section 1043 of Public Law 104-106 (5 CFR, Part 847, Subpart D). Those retroactive elections should have been made by August 11, 1997; however, waivers of this deadline were authorized for employees who did not receive notice and counseling. (5 CFR, Part 847, Subpart C).

d. Prior to August 10, 1996, certain employees who met the eligibility criteria established by Section 7202 of Public Law 101-508, were entitled to a retirement coverage election opportunity (5 CFR, 847.202 (e) and (f)).

(1) The eligibility criteria applicable to DoD required the employee to move between January 1, 1987, and August 9, 1996, between a DoD APF civil service position and a DoD NAF position.

(2) The break in service between retirement-covered employment must not have been more than 3 days.

(3) The employee must have been a vested participant in his or her retirement plan prior to the move.

(4) The employee must not have had a prior opportunity to continue the same retirement coverage based on a prior qualifying move.

## **7.2. REGULATIONS AND GUIDANCE.**

a. Part 847 of 5 CFR includes regulations governing retirement coverage elections for employees who moved between Civil Service and NAF prior to December 28, 2001.

b. OPM Benefits Administration Letters (BALs) and DoD policy memorandums provide policy, guidance, and retirement coverage election forms covering employee moves occurring on or after August 10, 1996, but before December 28, 2001.

(1) OPM BAL 96-107, “Retirement Election Opportunity for Certain Employees Appointed to Civil Service Positions On or After August 10, 1996, Following Service in A Nonappropriated Fund Instrumentality of the Department of Defense or Coast Guard,” dated August 20, 1996, provides general guidance and instructions. Attachment 3 of the BAL contains election form NAF-CS-1, used to document elections regarding retaining NAFI retirement coverage based on a qualifying move from NAF to APF civil service positions under P.L. 104-106.

(2) DASD (CPP) memorandum dated August 9, 1996, Subject: “Retirement Coverage Election under Section 1043, Public Law 104-106,” provides general guidance and DoD policy.

(3) DASD (CPP) memorandum dated October 28, 1996, Subject: “Retirement Coverage Election under Section 1043, Public Law 104-106,” provides two retirement election forms developed by OPM for NAF employees’ use: (1) FERS-NAF-1 documents elections regarding retaining FERS coverage; CSRS-NAF-1 documents elections regarding retaining CSRS coverage.

c. OPM BALS and DoD policy memorandums provide policy, guidance and retirement coverage election forms covering retroactive retirement coverage elections under Section 1043 of Public Law 104-106 for moves on or after January 1, 1966, but before August 10, 1996:

(1) OPM BAL 96-108, “Retirement Election Opportunities for Certain FERS Employees Appointed Before August 10, 1996, After Service in A Nonappropriated Fund Instrumentality of the Department of Defense or Coast Guard,” dated September 6, 1996, provides general guidance and instructions. Attachment 8 of the BAL contains two (unnumbered) election forms: (1) “Election of Retroactive NAFI Coverage by FERS Employees under Public Law 104-106,” and (2) “Election of FERS with Credit for NAFI Service Under Public Law 104-106.”

(2) DASD (CPP) memorandum dated August 9, 1996, Subject: “Retirement Coverage Election under Section 1043, Public Law 104-106,” contains DoD policy and guidance on employee and employer contributions to NAF retirement plans.

(3) DASD (CPP) memorandum dated July 14, 1997, Subject: “Retroactive Retirement Coverage Elections under Section 1043, Public Law 104-106,” and DASD (CPP) memorandum

dated January 8, 1997, Subject: “Federal Retirement Thrift Investment Board Regulations Implementing Pension Portability Provisions,” provide additional DoD guidance.

d. DoD policy memorandums provide policy, guidance, and retirement election forms applicable to retirement coverage elections under Section 7202 of Public Law 101-508 for moves on or after January 1, 1987, but before August 10, 1996.

(1) DASD (CPP) memorandum dated April 16, 1991, Subject: “DoD Employee Benefit Portability Program,” provides DoD policy requirements for portability of benefits for employees moving between NAF and APF civil service positions within DoD without a break in service of more than 3 calendar days. Employees must have been vested in the APF civil service or NAF retirement plan in order to be eligible for a retirement coverage election.

(2) The DASD (CPP) April 16, 1991 memorandum provides three OPM retirement coverage election forms for retirement coverage elections under Public Law 101-508:

(a) RI 38-110, used to document an election opportunity to retain NAF retirement plan coverage,

(b) RI 20-103, used to document an election opportunity to retain CSRS retirement plan coverage, and

(c) RI 92-27, used to document an election opportunity to retain FERS retirement plan coverage.

e. If the employing HRO discovers that an employee did not receive a retirement coverage election for which the employee was eligible, HR staff should review the regulations applicable to the date of the move. Component Headquarters staff or DCPAS Field Advisory Service and NAF Personnel Policy Division staff can assist in making any necessary retirement coverage corrections.

## **SECTION 8: RETIREMENT PROCEDURES FOR EMPLOYEES WHO RETAINED RETIREMENT COVERAGE**

### **8.1. NAF EMPLOYEES RETIRING UNDER CSRS OR FERS.**

#### **a. General.**

(1) When a NAF employee who elected to remain in CSRS or FERS retires, the employee's NAF HRO is responsible for providing the necessary forms to the employee and initiating the processing.

(2) The NAF HRO should seek assistance from an APF civil service retirement specialist or the NAF benefits point of contact designated by the employer. Some Components may have specific requirements regarding whether the Component's NAF HR office or an appropriated fund HR office provide the employee's completed retirement application package to OPM.

(3) The NAF HRO is responsible for providing documentation of the employee's election to retain CSRS or FERS and all NAF service following the election.

(4) Find [standard forms](https://www.opm.gov/forms/standard-forms/) on OPM's website. (<https://www.opm.gov/forms/standard-forms/>)

(5) Find [CSRS and FERS forms](https://www.opm.gov/forms/Retirement-and-Insurance-Forms/) on OPM's website. (<https://www.opm.gov/forms/Retirement-and-Insurance-Forms/>)

(6) Find [OPM forms](https://www.opm.gov/forms/OPM-forms/) on their website. (<https://www.opm.gov/forms/OPM-forms/>)

#### **b. Processing a NAF Employee's CSRS Retirement Application.**

(1) Employees applying for immediate retirement must complete SF 2801 and accompanying forms.

(2) Employees applying for a deferred CSRS annuity must request an application Form OPM 1496A from the Office of Personnel Management, Civil Service Retirement System, Retirement Operations Center, P.O. Box 45, Boyers, PA 16017.

#### **c. Processing a NAF Employee's FERS Retirement Application.**

(1) Employees applying for immediate retirement must complete SF 3107 and accompanying forms.

(2) For FERS employees applying for a deferred or postponed retirement, use OPM Form RI 92-19 and forward to Office of Personnel Management, Federal Employee Retirement System, Retirement Operations Center, P.O. Box 200, Boyers, PA 16020.

**d. Disability Retirement (CSRS or FERS) Processing.**

- (1) Employee must complete SF 2801 and SF 3112.
- (2) Applications must contain OPM Form 1510 for both CSRS and FERS covered employees.
- (3) The Individual Retirement Record must be submitted with the retirement package.

**e. Electing Credit for Prior NAF Service towards CSRS or FERS Retirement Eligibility.**

- (1) Some employees may have NAF service that occurred before their portability move and election to retain CSRS or FERS coverage. Section 1132 of Public Law 107-107 gives CSRS and FERS employees the opportunity to elect to credit any DoD or Coast Guard NAF Service that is not otherwise creditable in CSRS or FERS.
- (2) The credit may only be used for the purpose of establishing eligibility for immediate CSRS or FERS retirement benefits.
- (3) Employees who are eligible for an immediate CSRS or FERS retirement based on their non-NAF service are not eligible for this election.
- (4) Section 9 of this Guide contains further information regarding elections to use NAF service to qualify for immediate CSRS or FERS retirement.

**f. Continuation of Health and Life Insurance in Retirement.**

**(1) Eligibility.**

- (a) NAF health and life insurance eligibility rules apply.
- (b) The DoD NAF Health Benefits Program (HBP) requires 15 years of cumulative participation in the NAF HBP in order to continue health coverage in retirement. (NAF HBP eligibility requirements are in DoDI 1400.25, Volume 1408, Enclosure 5, Paragraph 6.c.).
  1. Continuous time in FEHB as of the day before a move from a DoD APF civil service position to a DoD NAF position is credited towards this requirement.
    - a. The move must have occurred without a break in service of more than three days.
    - b. Continuous participation in FEHBP, either as the sponsor or as a dependent, while employed in a position that is eligible for FEHBP enrollment, is counted as creditable service.
  2. The 15-year participation requirement is waived for employees who had five years of continuous FEHB enrollment at the time of an involuntary move to NAF. This waiver

also applies to employees whose positions are moved from appropriated fund to NAF under UFM authority (DoDI 1400.25, Volume 1408, Enclosure 5, subparagraph 6.c.(1)(b)2.)

3. FEHBP participation cannot be credited in both the appropriated fund and NAF health benefit programs. Therefore, if the employee has ever been covered by FEHBP post-retirement medical coverage, only NAF HBP participation counts towards NAF HBP post-retirement medical coverage eligibility. (DoDI 1400.25, Volume 1408, Enclosure, subparagraph 6.c.(1)(b)1.)

(c) An employee who elected to remain in CSRS or FERS is not eligible for coverage as an annuitant in FEHBP or FEGLI upon retirement from a DoD NAF position.

(2) **Forms.** The NAF HRO completes the NAF life and health forms and submits them to the servicing NAF Benefits Office.

(3) **Premiums.** The servicing NAF Benefits Office will bill the retiree for the retiree's share of the premium. The annuitant's NAF health and life insurance premium share cannot be deducted from the CSRS/FERS annuity.

(4) **Applicable NAF Benefits Office.** Is responsible for providing future NAF health and life insurance materials to those CSRS and FERS retirees eligible to continue NAF health and life insurance coverage.

(5) **If Employee is Not Eligible for NAF Health Insurance.** If the employee is not eligible to carry NAF health insurance into retirement, the HRO must advise of any Temporary Continuation of Coverage (TCC) eligibility.

**g. Sick Leave.** Sick leave is credited in accordance with the rules of the employee's retirement system.

(1) CSRS employees receive credit for unused sick leave upon retirement with an immediate annuity.

(2) FERS employees who retire on an immediate annuity receive full credit for unused sick leave, as long as the separation occurred on or after January 1, 2014.

(3) See CSRS & FERS rules for complete guidance.

## **8.2. DOD CIVIL SERVICE EMPLOYEES RETIRING UNDER A NAF RETIREMENT SYSTEM.**

### **a. General.**

(1) The APF civil service HRO contacts the applicable NAF retirement benefits office (addresses in Section 12 of this Guide) to obtain the retirement package documents.

(2) The APF civil service HRO provides the NAF retirements benefits office with documentation of the employee's election to retain the NAF retirement plan, and a listing of all appropriated fund service following the election.

(3) The NAF retirement benefits office will provide a retirement estimate to the employee.

#### **b. Processing an APF Civil Service Employee's NAF Retirement Application.**

(1) If all requirements for retirement under the NAF retirement plan are met, the APF civil service HRO documents the retirement SF-50, using codes and remarks provided in the "[Guide for Processing Personnel Actions](#), see Chapter 30, "Retirements."

(<https://www.opm.gov/policy-data-oversight/data-analysis-documentation/personnel-documentation/processing-personnel-actions/gppa30.pdf>).

(a) Use Table 30-A for "Documenting Retirements," regarding "A retirement system other than the Civil Service Retirement System or Federal Employees Retirement System." Use the appropriate NOAC and authority code "USM." Cite the appropriate portability legislation as the authority, i.e., Pub. L. 101-508, Public Law 104-106, or Public Law 107-107.

(b) Use Table 30-B, "Remarks Required for Retirement Actions," and Table 30-C, "Remarks and Codes" to find the proper codes and remarks. Include Table 30-B remark B63, "Elected to retain coverage under a retirement system for NAF employees."

(2) The applicable NAF retirement benefits office will provide the appropriate NAF forms and process the completed employee application.

#### **c. Continuation of Health and Life Insurance in Retirement.**

##### **(1) Eligibility.**

(a) FEHB and FEGLI eligibility and coverage rules apply. Under those rules, to continue coverage in retirement, the employee must retire on an immediate annuity and have participated in FEHB/FEGLI for the five years immediately preceding retirement. The employee may qualify with less than five years participation, if the employee participated in FEHB during all civil service since the first opportunity to enroll in FEHB.

(b) Employees retiring from a civil service position may not elect NAF health or life insurance.

(2) **Survivor Benefits.** FEHBP requires that a surviving spouse be eligible for a survivor annuity in order to continue FEHB coverage. Therefore, APF civil service HROs should remind civil service employees who retained NAF retirement coverage that they must elect NAF retirement plan survivor benefits through the NAF retirement benefits office in order for a spouse to continue FEHB upon the retiree's death. The employee's NAF retirement benefits office should also emphasize this point when providing NAF retirement plan estimates and information to the retiring employee.

(3) **Forms.** The APF civil service HRO completes the same FEGLI or FEHB forms used for employees retiring under CSRS or FERS, then transmits those forms to the NAF retirement benefits office.

(4) **Premiums.**

(a) The NAF retirement plan is responsible for forwarding the annuitant portion of the FEHB and FEGLI premium, which is deducted from the retiree's NAF annuity. If the annuity is not adequate to pay the employee's share of the premium, the employee may pay directly to the applicable employer.

(b) The agency share of the annuitant premium is paid by OPM. However, to enable OPM to determine the appropriate government share, the NAF retirement benefits office must show the government share on the SF 2812.

(c) Civil Service employees retiring on an immediate or disability NAF annuity are eligible for the enrollee pay-all Federal Employee Dental and Vision Insurance Program (FEDVIP). Retirees must use BENEFEDS to enroll in FEDVIP. FEDVIP premiums generally cannot be deducted from a NAF annuity; the retiree may arrange for direct billing through BENEFEDS

(5) **Open Season Materials.** The applicable NAF retirement benefits office is responsible for providing FEHB and FEGLI open season materials and information to NAF retirement plan annuitants and survivors covered by FEHB and FEGLI.

(6) **If Employee is Not Eligible for FEHB.** If the employee is not eligible to carry FEHB into retirement, FEHB is terminated using the SF 2810. The APF civil service HRO must offer the employee a 31-day extension of coverage, conversion privileges, and Temporary Continuation of Coverage (TCC). If the employee enrolls in TCC, the APF civil service HRO follows the same procedures as for any other TCC enrollment and sends the completed forms to the National Finance Center.

**d. Sick Leave.** Credit for the employee's appropriated fund sick leave balance applies to NAF retirement in accordance with the rules of the employee's NAF retirement plan.

## **SECTION 9: CREDITING DoD NAF SERVICE FOR CSRS OR FERS IMMEDIATE RETIREMENT - SECTION 1132 OF PUBLIC LAW 107-107**

### **9.1. GENERAL.**

a. Section 1132 of Public Law 107-107 gives CSRS and FERS employees the opportunity to elect to credit DoD or Coast Guard NAF Service that is not otherwise creditable in CSRS or FERS.

b. The credit may only be used for the purpose of establishing eligibility for immediate CSRS or FERS retirement benefits. Employees who are eligible for an immediate CSRS or FERS retirement based on their non-NAF service are not eligible for this election.

**9.2. ELIGIBILITY.** Employees covered by CSRS, CSRS Offset, FERS (including FERS-RAE and FERS-FRAE) may elect to use NAF service to qualify for immediate retirement. The employee must:

a. Have at least 5 years of creditable APF service creditable under CSRS or FERS and qualify for a deferred CSRS or FERS retirement, and

b. Not qualify for an immediate CSRS or FERS retirement using non-NAF service.

### **9.3. REGULATIONS AND GUIDANCE.**

a. Regulations covering this election are found in 5 CFR, Part 847, Subparts H and I.

b. Servicing HROs should follow the procedures outlined in [OPM Benefits Administration Letter 03-102](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2003/03-102.pdf), (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2003/03-102.pdf>). BAL 03-102 contains examples of who can make the election, information on how to credit NAF service, and procedures for notifying the appropriate NAF retirement plan and verifying NAF employment.

c. Appendix 9A contains job aids and copies of relevant forms.

### **9.4. EFFECT OF ELECTION ON CSRS OR FERS ANNUITY.**

a. Using credit for NAF service under Public Law 107-107 provisions will not result in a higher CSRS or FERS annuity benefit.

b. As discussed in BAL 03-102, it is important that employees seek Benefits Office assistance in deciding whether to use prior NAF service to qualify for immediate retirement. Employees electing to use NAF service to qualify for an immediate CSRS or FERS annuity receive an annuity that is actuarially reduced to offset the additional cost to the CSRS or FERS

retirement fund. Therefore, employees should consider whether it would be more advantageous to work the additional years required to qualify for retirement without using NAF service.

c. BAL-03-102 describes how to compute the CSRS or FERS annuity when employees elect to credit prior NAF service. Employees cannot make deposits to CSRS or FERS to cover the NAF service and NAF retirement deductions and contributions cannot be transferred to CSRS or FERS.

**9.5. EFFECT OF ELECTION ON NAF RETIREMENT BENEFIT.** NAF service used to qualify for an immediate retirement from CSRS or FERS cannot be used under a NAF retirement system for any purpose. Employees should also consider whether they will have to give up any NAF retirement benefit in order to use the NAF service towards CSRS or FERS retirement.

a. Employees must complete the NAF service credit election form, [RI 38-145](#), and submit it to their employing agency before the actual retirement date. Submit the form as part of the retirement package to the appropriate Benefits Office. If the employee elects to use prior NAF service, forward a copy of the employee's election to the appropriate NAF employer. The HRO should attach a "[flag](#)" to the retirement package to alert OPM to the credit.

b. A copy of the election form, [RI 38-145](#), and the "[flag](#)" are in Appendix 9A. HROs should use the fillable form RI 38-145 at Attachment 3 to BAL 03-102. (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2003/03-1023.pdf>)

c. The election "flag" is [Attachment 5 to BAL 03-102](#). (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2003/03-1025.pdf>)

d. See BAL 03-102 for additional processing and documenting information.

## APPENDIX 9A: FORMS AND INSTRUCTIONS FOR CREDITING DoD OR COAST GUARD NAF SERVICE FOR CSRS OR FERS IMMEDIATE RETIREMENT

**Table 7: Job Aid - Eligibility to Credit DoD or Coast Guard NAF Service for CSRS or FERS Immediate Retirement on or after Dec 28, 2001**

<i>A. Eligibility Criteria</i>	<i>Actions</i>
<p><b>1. Does the employee need the credit for NAF service in order to qualify for immediate CSRS or FERS retirement?</b> Review the OPF to determine if employee is eligible for an immediate CSRS or FERS retirement based on civil service alone.</p>	<p><b>Yes.</b> Go to <b>step 2</b>.</p> <p><b>No.</b> If the employee qualifies for an immediate CSRS or FERS retirement based on non-NAF service, he or she is not eligible for the election.</p>
<p><b>2. Does the employee have at least 5 years of creditable non-NAF civilian service and qualify for a deferred retirement benefit?</b> 5 C.F.R. part 847, subpart H, requires the employee to have enough otherwise creditable civilian service to qualify for deferred retirement.</p>	<p><b>Yes.</b> Go to <b>step 3</b>.</p> <p><b>No.</b> If the employee is not eligible for a deferred annuity based on non-NAF service, he or she is not eligible for an election to credit NAF service.</p>
<p><b>3. Does the employee have enough combined APF civil service and NAF service to qualify for immediate CSRS or FERS retirement?</b> Verify NAF service using the attached model request for verification of NAF service. See Section 12 of this Reference Guide for the most recent contact information for NAF employers. Use the address list for information about NAF employment and OPFs—not the NAF retirement plan points of contact. NAF employers will return the completed verification of NAF Service Form (also attached). Employees cannot use NAF service that is already creditable under 5 U.S.C. 8332(b)(16) or 5 CFR part 847, subpart D. (Note: Any NAF service that is not already creditable for CSRS or FERS retirement may be used. This includes NAF service that was not covered by a NAF retirement plan.)</p>	<p><b>Yes.</b> Go to <b>Step 4</b>.</p> <p><b>No.</b> If the additional NAF service does not qualify the employee for an immediate retirement, no election can be made. Elections to credit prior NAF service must be made at the time of retirement.</p>
<i>Election Procedure</i>	<i>Action</i>
<p><b>4. Provide Election to Employee</b></p>	<p>Give employee form RI 38-145. Follow instructions for completing the form, including how to provide an estimate of the employee’s annuity both with and without the NAF service.</p> <p>If the employee elects to use prior NAF service, forward a copy of the employee’s election to the appropriate NAF employer.</p>

Figure 10: Request for Verification of NAF Service - Attachment 4, BAL 03-102

Appropriate NAF Employer’s Address

Dear Nonappropriated Fund Employer:

We are writing on behalf of (*insert employee’s name, date of birth, Social Security Number*), requesting verification of his/her service with the nonappropriated fund (NAF) instrumentality listed below. This employee is considering using that NAF service to qualify for immediate retirement under the Civil Service Retirement System (CSRS) / Federal Employees Retirement System (FERS) in accordance with Section 1132 of Public Law 107-107.

Nonappropriated Fund Employer	Beginning Date of Service	Ending Date of Service

Using the enclosed form, Verification of Nonappropriated Fund (NAF) Service Pursuant to an Election under Section 1132 of Public Law 107-107, please:

- verify the dates of the employee’s service for the period(s) listed above;
- provide the total hours the employee worked if the employee did not work a full-time schedule and can only get credit for time actually worked;
- indicate whether or not the employee received a refund of his/her retirement monies (if the employee did not participate in a NAF retirement plan, indicate “not applicable”); and
- indicate how an election to use the NAF service listed above to qualify for an immediate CSRS or FERS retirement would affect the employee’s rights to retirement benefits under the NAF retirement plan. (If the employee elects to use the NAF service listed above to qualify for an immediate CSRS or FERS retirement, that NAF service cannot be credited for any purpose under any retirement system provided for NAF employees.)

If the employee elects to use the NAF service listed above to qualify for an immediate CSRS or FERS retirement, we will provide you with a copy of the employee’s election form.

Please send or fax your response to:

Agency Address and Fax Number

If you have any questions concerning this request please contact:

name of agency contact, phone number, and email address

Thank you for your assistance.

Sincerely,

*Signature of agency official*

Figure 11: Verification of NAF Service - Attachment 4, BAL 03-102

**VERIFICATION OF NONAPPROPRIATED FUND (NAF) SERVICE  
PURSUANT TO AN ELECTION TO CREDIT NAF SERVICE FOR IMMEDIATE CIVIL SERVICE  
RETIREMENT UNDER SECTION 1132 OF PUBLIC LAW 107-107**  
*(completed by appropriate NAF employer)*

Part 1 – Identifying Information				
Employee's Name	Date of Birth	Social Security Number		
Other Names Used				
Part 2 – Verification of Service (mark the appropriate box)				
<input type="checkbox"/> We are unable to locate any records of service with this component.				
<input type="checkbox"/> The individual named in Part 1 performed the following service as an employee paid from nonappropriated funds. (Please note, we are only providing information about the service identified in the request for verification of service.)				
NAFI and Location	Beginning Date	Ending Date	Actual Hours Worked If Other Than Full -Time	Retirement Monies Refunded? (yes/no/not applicable)
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Part 3 – NAF Retirement Eligibility (mark the appropriate box)				
<input type="checkbox"/> The employee is not eligible for a NAF retirement benefit (immediate or deferred), therefore the election to credit the service listed in Part 2 for CSRS or FERS retirement eligibility purposes does not affect eligibility for NAF benefits.				
<input type="checkbox"/> The employee is eligible for a NAF retirement benefit (immediate or deferred) only if the service listed in Part 2 remains creditable for NAF retirement purposes. If the employee elects to credit that service for CSRS or FERS retirement eligibility purposes, the employee must request a refund of NAF retirement monies and give up his or her rights to the NAF retirement benefit.				
<input type="checkbox"/> The employee is eligible for a NAF retirement benefit (immediate or deferred). Electing to use the service listed in Part 2 for CSRS or FERS retirement eligibility purposes does not affect the employee's eligibility for the NAF retirement benefit. However, the election would reduce the amount of his or her NAF retirement benefit				
Part 4 – Certification				
Signature of Certifying Official			Date	
Printed Name			Title	
Phone Number			Fax Number	
Address				

Figure 12: RI 38-145, Election to Use NAF Service to Qualify for Immediate Retirement under CSRS or FERS

Sample below provided for information. Use fillable form [RI 38-145](#).

**Election to Use NonAppropriated Fund (NAF) Service to Qualify for Immediate Retirement Under the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS) in Accordance with Section 1132 of Public Law 107-107**

<b>Part 1 - (To be completed by employing agency)</b>		
Employee's name (last, first, middle)		Date of birth (mm/dd/yyyy)
Date of retirement (mm/dd/yyyy)		Social Security Number
Type of separation <input type="checkbox"/> Voluntary <input type="checkbox"/> Involuntary		Amount of NAF service needed to qualify for immediate CSRS or FERS retirement <input type="text"/> years <input type="text"/> months <input type="text"/> days
Date employee would first qualify for CSRS or FERS retirement benefits if NAF service were not used to qualify for immediate retirement (mm/dd/yyyy)		
<b>Annuity Estimates</b>		
1. If you elect to use your NAF service to qualify for immediate CSRS or FERS retirement:		
<ul style="list-style-type: none"> <li>Your gross monthly retirement benefit is estimated to be \$ _____</li> <li>The gross monthly survivor benefit payable to your spouse is estimated to be \$ _____</li> </ul>		
2. If you do not elect to use NAF service to qualify for immediate CSRS or FERS retirement:		
<ul style="list-style-type: none"> <li>Your gross monthly retirement benefit as of the date you first qualify for CSRS or FERS benefits without NAF service is estimated to be \$ _____</li> <li>The gross monthly survivor benefit payable to your spouse is estimated to be \$ _____</li> </ul>		
Signature of Authorized Agency Official	Phone number	Date (mm/dd/yyyy)
<b>Part 2 - (To be completed by employee)</b>		
I elect to use my NAF service listed below to qualify for an immediate retirement benefit under the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). I understand:		
<ul style="list-style-type: none"> <li>This NAF service cannot be used to increase the amount of my CSRS or FERS benefit;</li> <li>My benefit will be reduced to ensure that it is actuarially equivalent to the present value of the deferred annuity I would receive if I leave government service and do not use the NAF time to qualify for immediate retirement;</li> <li>If I am covered under FERS, I am not eligible to receive the FERS Annuity Supplement; and</li> <li>This NAF service cannot be credited for any purpose under any retirement system provided for NAF employees.</li> </ul>		
NonAppropriated Fund Employer and Location	Beginning Date (mm/dd/yyyy)	Ending Date (mm/dd/yyyy)
Employee's signature	Date (mm/dd/yyyy)	

(Instructions on the reverse)

This form may be locally reproduced

**PRINT**

**RESET FORM**

**SAVE**

RI 38-145  
January 2003

**Instructions for Completing Election Form RI 38-145  
Election to Use NonAppropriated Fund (NAF) Service to Qualify for  
Immediate Retirement Under the Civil Service Retirement System (CSRS)  
or the Federal Employees Retirement System (FERS)**

**Part 1 - To Be Completed by the Employing Agency Human Resources or Benefits Office**

- Enter the employee's name, date of birth and social security number.
- Enter the date the employee wants to retire.
- Indicate whether the employee has decided to voluntarily separate and receive retirement benefits or whether the employee is facing an involuntary separation. (An employee cannot use NAF service to qualify for a Discontinued Service Retirement if the separation is involuntary and for cause on charges of misconduct or delinquency.)
- Enter the amount of NAF service needed to qualify for immediate CSRS or FERS retirement benefits as of the date of retirement.
- Determine the date the employee would first qualify for CSRS or FERS retirement benefits if NAF service were not used for CSRS or FERS retirement.
  - If the employee has the option to continue working, enter the earliest date the employee would qualify for immediate retirement benefits if the employee continued to work.
  - If the employee does not have the option to continue working (that is if the employee is facing an involuntary separation), enter the earliest date the employee would qualify for a deferred retirement benefit.
- Provide an estimate of the gross monthly rate payable to the employee if the employee elects to use NAF service to qualify for immediate retirement. If the employee elects to provide a survivor benefit, provide an estimate of the survivor benefit monthly rate as well. (Compute these estimates following the instructions provided in Attachment 2 of Benefits Administration Letter 03-102.)
- Provide a second estimate showing the gross monthly rate payable to the employee if NAF service is not used to qualify for immediate retirement. This estimate should reflect the benefit payable as of the date the employee would first qualify for CSRS or FERS retirement benefits without NAF service. If the employee elects to provide a survivor benefit, provide an estimate of the survivor benefit monthly rate as well.
- Sign the form, date it, and provide your phone number.
- After completing Part 1, give the form to the employee to complete Part 2.
- When the employee returns the completed election form, make two copies of it. Attach the original to the employee's retirement application package along with the verification of NAF service you obtained from the appropriate NAF employer. Send a copy of the election to the appropriate NAF employer and file a copy in the employee's Official Personnel Folder.

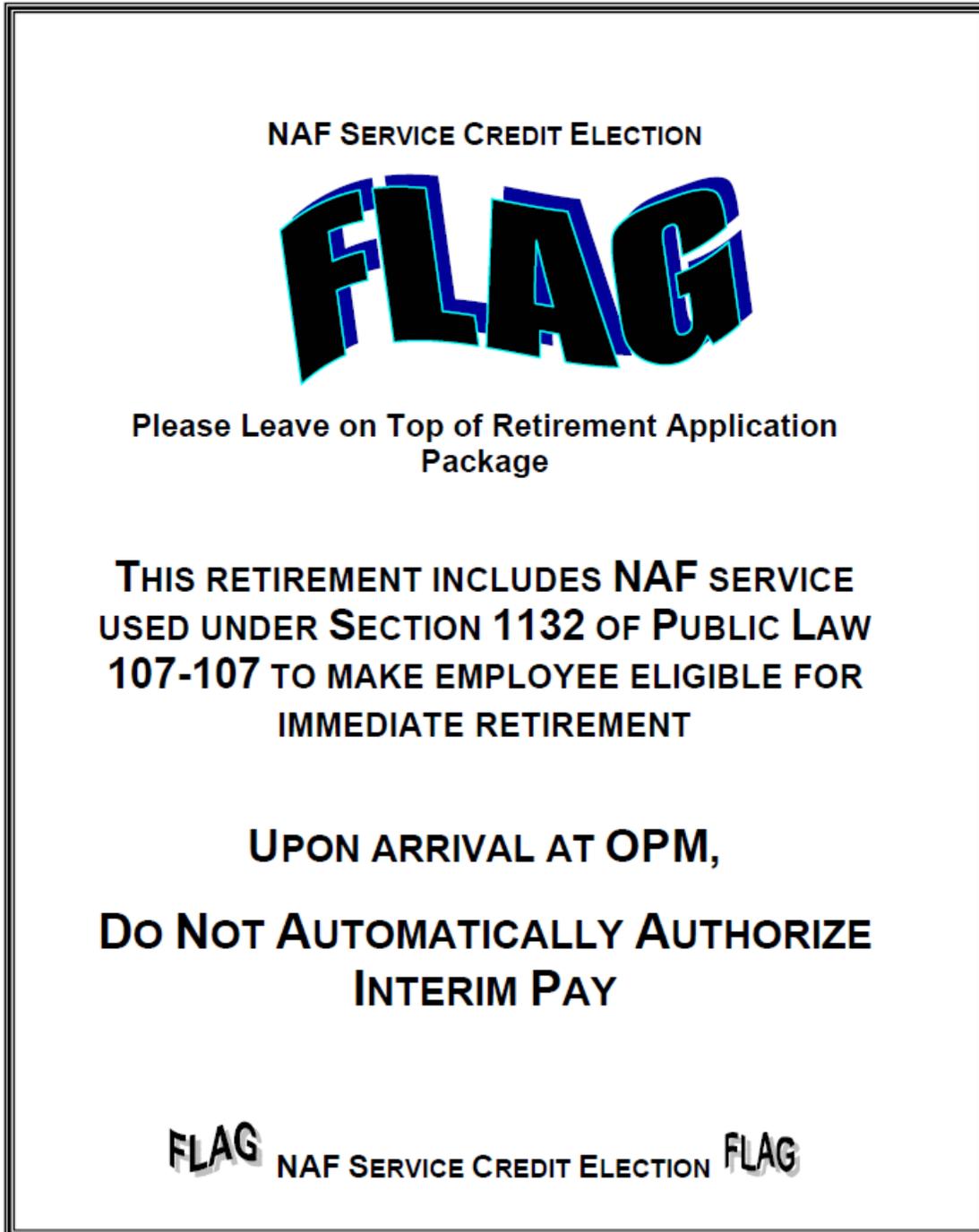
**Part 2 - To Be Completed by the Employee**

- Identify the NAF service that you want to use to qualify for immediate CSRS or FERS retirement benefits. Provide the name of the NAF employer, the location of employment, the date the service began, and the date the service ended. (Note, you must enter complete periods of service. For example, if you need 1 year and 6 months of NAF service to qualify for an immediate CSRS or FERS retirement benefit, and you performed service with a NAF from January 15, 1977 to July 3, 1979, you should enter the entire period of NAF service.)
- Sign and date the form.
- Make a copy of the form for your records. Return the original to your Human Resources or Benefits office along with your application for immediate retirement benefits.

Reverse of RI 38-145  
January 2003

Figure 13: NAF Service Credit Election Flag

Sample below provided for information. From [BAL 03-102, Attachment 5](#)



## **SECTION 10: PROCESSING BENEFITS RELATED TO DEATH OF EMPLOYEES AND RETIREES WHO RETAINED RETIREMENT COVERAGE UNDER PORTABILITY PROVISIONS**

### **10.1. DEATH OF ACTIVE NAF EMPLOYEE WHO RETAINED CSRS OR FERS.**

a. In establishing a case file for the deceased, see the [DCPAS Death in Service Employee Guide](https://dodhrinfo.cpms.osd.mil/Directorates/HROPS/Benefits-and-Worklife/Benefits-and-Entitlements/Documents/Employee-Guides/Death_In_Service.pdf) ([https://dodhrinfo.cpms.osd.mil/Directorates/HROPS/Benefits-and-Worklife/Benefits-and-Entitlements/Documents/Employee-Guides/Death\\_In\\_Service.pdf](https://dodhrinfo.cpms.osd.mil/Directorates/HROPS/Benefits-and-Worklife/Benefits-and-Entitlements/Documents/Employee-Guides/Death_In_Service.pdf)) for information applicable to CSRS/FERS retirement. The Death Benefit Chapters in OPM's [Civil Service Retirement System \(CSRS\) and Federal Employees Retirement System \(FERS\) Handbook for Personnel and Payroll Offices](#), provides additional information (<https://www.opm.gov/retirement-services/publications-forms/csrsfers-handbook>).

b. If the deceased employee participated in TSP, the NAF HRO provides Form TSP-17, Information Relating to Deceased Participant, to the survivor or designated beneficiary and assists with reporting the death to TSP. For complete instructions, see section 6 of the [DCPAS Death in Service Employee Guide](#) ([https://dodhrinfo.cpms.osd.mil/Directorates/HROPS/Benefits-and-Worklife/Benefits-and-Entitlements/Documents/Employee-Guides/Death\\_In\\_Service.pdf](https://dodhrinfo.cpms.osd.mil/Directorates/HROPS/Benefits-and-Worklife/Benefits-and-Entitlements/Documents/Employee-Guides/Death_In_Service.pdf)). The Thrift Savings Plan booklet, "[Death Benefits: Information for Participants and Beneficiaries](#)" also provides helpful information.

c. The NAF HRO processes the same NAF health and life insurance forms as for any other NAF employee.

d. OPM's Retirement Operations Center may be reached by e-mail at [retire@opm.gov](mailto:retire@opm.gov), or by phone: 888-767-6738.

### **10.2. DEATH OF RETIRED NAF EMPLOYEE WHO RETAINED CSRS OR FERS.**

a. Family members should submit death benefits applications to: Office of Personnel Management, Retirement Operations Center, ATTENTION: Survivor Processing Section, Post Office Box 45, Boyers, Pennsylvania 16017-0045.

b. OPM provides family members [instructions](#) for submitting death benefit applications (<https://www.opm.gov/retirement-services/my-annuity-and-benefits/life-events/death/report-of-death/>).

c. Report [annuitant deaths](#) on-line. (<https://www.servicesonline.opm.gov/RSR/AnnuitantDeath/ReportAnnuitantDeath>).

d. When reporting the death of someone who receives CSRS or FERS benefits, provide OPM with the full name of the deceased and date of death, as well as the retirement claim number, and Social Security number.

e. Survivors or designated beneficiaries of annuitants participating in the Thrift Savings (TSP) must complete [Form TSP-17](#), Information Relating to Deceased Participant and send it to TSP along with a certified copy of the death certificate. Click here for additional [TSP information](#). The Thrift Savings Plan booklet, “[Death Benefits: Information for Participants and Beneficiaries](#)” is also useful.

f. The NAF HRO processes the same NAF health and life insurance forms as for any other retired NAF employee.

g. OPM’s Retirement Operations Center may be reached by e-mail at [retire@opm.gov](mailto:retire@opm.gov), or by phone: 888-767-6738.

### **10.3. DEATH OF ACTIVE APF CIVIL SERVICE EMPLOYEE WHO RETAINED NAF RETIREMENT COVERAGE.**

a. When an APF civil service employee covered by a NAF retirement plan dies, the APF civil service HRO contacts the applicable NAF retirement benefits office listed in Section 12 of this Guide.

b. The NAF retirement benefits office provides the appropriate NAF retirement plan or survivor benefit forms for completion by next of kin.

c. The NAF retirement benefits office processes the completed forms.

d. The APF civil service HRO processes the same FEGLI and FEHB forms as it would for any other APF civil service employee. Refer to the [DCPAS Death in Service Employee Guide](#).

### **10.4. DEATH OF RETIRED CIVIL SERVICE EMPLOYEE WHO RETAINED NAF RETIREMENT COVERAGE.**

a. When an APF civil service retiree covered by a NAF retirement plan dies, the survivor should notify the applicable NAF retirement benefit office listed in Section 12 of this Guide as soon as possible.

b. The NAF retirement benefits office will provide the appropriate death benefits application forms, inform survivors of their entitlement, and prepare and process the appropriate FEHB/FEGLI forms.

c. The [DCPAS Death in Service Employee Guide](#) on processing death benefits for civil service employees may be useful to NAF retirement benefits office in assisting survivors of NAF retirement plan annuitants who have civil service health and life benefits.

## SECTION 11: PROCESSING CORRECTIONS TO RETIREMENT SYSTEM COVERAGE

### 11.1. CORRECTIONS TO CIVIL SERVICE RETIREMENT PLAN COVERAGE.

a. When an HRO or benefits office discovers that an employee was placed in the wrong civil service retirement system (CSRS, CSRS Offset or FERS) the applicable HRO or benefits office will process the corrections.

b. The Federal Erroneous Retirement Coverage Corrections Act (FERCCA) legislation was signed in September 2000. It provides relief to Federal civilian employees who were placed in the wrong retirement system for at least 3 years of service after December 31, 1986. FERCAA procedures are used to correct civil service retirement errors (i.e., CSRS versus CSRS Offset versus FERS retirement coverage). FERCAA procedures do not directly apply to employees who were erroneously placed in a civil service retirement system plan instead a NAF retirement plan.

c. Click for DCPAS [FERCCA](#) information (<https://dodhrinfo.cpms.osd.mil/Directorates/HROPS/Benefits-and-Worklife/Benefits-and-Entitlements/Pages/FERCCA.aspx>). OPM [Benefits Administration Letters](#) (<https://www.opm.gov/retirement-services/benefits-officers-center/aids/federal-erroneous-retirement-coverage-corrections-act/benefits-administration-letters/> ) also provide information as do the [FAQs](#) (<https://www.opm.gov/faqs/topic/retire/index.aspx/index.aspx?cid=d2c547f4-a029-4c84-b2f3-4c76143ec253>).

### 11.2. TSP CORRECTIONS.

a. It is the agency's responsibility to report correct contributions, correct agency errors timely, and notify employees of their correction of TSP errors.

b. TSP administrative error corrections are found at 5 CFR 1605 (see 5 CFR 1605.14).

### 11.3. CORRECTIONS TO PORTABILITY OF BENEFITS RETIREMENT ELECTIONS.

a. When an HRO or benefits office discovers that an eligible employee was not provided a portability of benefits retirement coverage election, the applicable HRO or benefits office provides the correct retirement election to the employee.

b. The DoD and OPM guidance applicable to the date of the move apply.

c. All retroactive corrections must comply with IRS regulations for corrective actions.

d. The HRO should consult DCPAS retirement benefits experts prior to making corrections.

## SECTION 12: POINTS OF CONTACT

**Table 8: DoD NAF Employment Points of Contact**

<b>DOD NAF EMPLOYERS POINTS OF CONTACT</b>	
For information regarding former DOD NAF employment and OPFs, contact the appropriate NAF Component	
<b>Name of NAF Employer</b>	<b>Address</b>
United States Army	HQ, Department of the Army Office of the Asst. G-1 (CP) Attn: DAPE-CPN, NAF HR Policy & Programs Division 6010 6th Street Building 1465 Mail Stop 5595 Fort Belvoir, VA 22060 (703) 806-3097 (DSN 656)
United States Air Force	Air Force Services Activity Human Resources Program Management Branch AFSVA/SVXHR 2216 Hughes Avenue, Suite 156 JBSA Lackland AFB, TX 78236-9854 (210) 395-7254 (DSN 969)
United States Marine Corps	HQMC, United States Marine Corps MRG, NAF Business Services and Support Division 3044 Catlin Ave. Quantico, VA 22134-5099 (703) 432-0419 (DSN 378)
Commander Naval Installation Command	Commander Naval Installation Command 5720 Integrity Drive Millington, TN 38055-6530 (901) 874-6709 (DSN 882)
Navy Exchange Service Command (NEXCOM)	Navy Exchange Service Command 3280 Virginia Beach Blvd Virginia Beach, VA 23452-5799 (757) 440-4718
Army and Air Force Exchange Service (AAFES)	Headquarters, Army and Air Force Exchange Service ATTN: HR-S HRSC P.O. Box 660202 Dallas, TX 75266-0202 1-800-508-8466 (DSN 967)

Table 9: NAF Retirement Plan Points of Contact

<b>DOD AND COAST GUARD NAF RETIREMENT PLANS POINTS OF CONTACT</b>	
To verify service subject to a NAF retirement plan and/or confirm that an individual participated in a NAF retirement plan, contact the appropriate NAF retirement plan	
<b>Name of Retirement Plan</b>	<b>Address</b>
United States Army Nonappropriated Fund Employee Retirement Plan	US Army Installation Management Command Army NAF Benefits Office, IMCOM G-9-HRB 2455 Reynolds Road JB San Antonio Ft. Sam Houston, TX 78234-7588 (210) 466-1638 (DSN 450)
United States Air Force Nonappropriated Fund Retirement Plan for Civilian Employees	Air Force Services Activity AFSVA/SVXHI Group Insurance Branch 2261 Hughes Avenue, Suite 156 Lackland AFB, TX 78236-9854 (210) 395-7438 (DSN 969)
Retirement Plan for Civilian Employees of U.S. Marine Corps Community Services (MCCS) and the Personal Family Readiness Division and other Miscellaneous NAFI	Headquarters, U.S. Marine Corps MRG, NAF Business Services and Support Division 3044 Catlin Avenue Quantico, VA 22134-5099 (703) 432-0418 (DSN 378)
Commander Naval Installation Command (CNIC) Retirement Plan	Commander Naval Installation Command (PERS-65) Morale, Welfare & Recreation 5720 Integrity Drive, Bldg. 457 Millington, TN 38055-6540 (901) 874-6651 (DSN 882)
Navy Exchange Service Command (NEXCOM) Retirement	Navy Exchange Service Command 3280 Virginia Beach Boulevard Virginia Beach, VA 23452 (757) 440-4718
Retirement Annuity Plan for Employees of the Army and Air Force Exchange Service (AAFES)	Headquarters, Army and Air Force Exchange Service FA-T (Benefits) 3911 S. Walton Walker Blvd. Dallas, TX 75236-1598 (214) 312-3593 (DSN 967)
United States Coast Guard	Coast Guard Community Services Command (HR) 510 Independence Pkwy, Suite 500 Chesapeake, VA 23320 (757) 842-4790

**Table 10: DoD Agency Points of Contact for Information on APF Civil Service Benefits**

<b>APPROPRIATED FUND BENEFITS POINTS OF CONTACT</b>	
<b>Name of Employer</b>	<b>Address</b>
United States Army	Department of the Army 305 Marshall Avenue Army Benefits Center - Civilian Fort Riley, KS 66442-5004 (785) 239-6240
United States Air Force	HQ AFPC/DP25B 550 C Street West, Suite 57 JBSA-Randolph AFB, TX 78150-4759 (800) 525-0102
United States Navy	Department of Navy OCHR Norfolk Operations Center Norfolk Naval Shipyard, Bldg. 17 Portsmouth, VA 23705-1005 (757) 396-7873
Defense Logistics Agency	Defense Logistics Agency 8725 John J. Kingman Road Suite 3630, J-14 Ft. Belvoir, VA 22060-6458 (703) 767-6458
Defense Finance and Accounting Service	Defense Finance and Accounting Service Human Resources Benefits & Services Attn: DFAS-FI/NHFP 8899 E. 56th Street Indianapolis, IN 46249-6400 (317) 212-7363 (DSN 699)
Defense Commissary Agency	Defense Commissary Agency c/o Defense Logistics Agency 3990 E Broad Street, Building 306 Columbus, OH 43218 (614) 692-2331

**Figure 14: DCPAS Points of Contact**

**Portability of Benefits questions:**

**Human Resources Operational Programs and Advisory Services**

**APPROPRIATED FUND**

Benefits and Entitlements Branch (B&E)  
4800 Mark Center Drive, Suite 05G21  
Alexandria, VA 22350-1100  
(703) 882-5197  
DSN: 381

e-mail: [dodhra.mc-alex.dcpas.mbx.benefits-contacts@mail.mil](mailto:dodhra.mc-alex.dcpas.mbx.benefits-contacts@mail.mil)

**NONAPPROPRIATED FUND**

NAF Personnel Policy Division  
4800 Mark Center Drive, Suite 06G21  
Alexandria, VA 22350-1100  
(571) 372-1566  
DSN: 372

e-mail: [dodhra.mc-alex.dcpas.mbx.naf@mail.mil](mailto:dodhra.mc-alex.dcpas.mbx.naf@mail.mil)

Figure 15: Sites Containing Portability of Benefits Information

## Appropriated Fund Web Links

### [Office of Personnel Management](http://www.opm.gov)

(<http://www.opm.gov>)

#### [CSRS and FERS Handbook for Personnel and Payroll Offices](http://www.opm.gov/retire/pubs/handbook/hod.htm)

(<http://www.opm.gov/retire/pubs/handbook/hod.htm>)

#### [Benefits Administration & Payroll Letters \(1997-2000\)](http://www.opm.gov/retire/pubs/bals/index.asp)

(<http://www.opm.gov/retire/pubs/bals/index.asp>)

#### [Non-Appropriated Fund Instrumentality \(NAFI\) Program Retirement Coverage](http://www.opm.gov/retire/pre/naf/naf-4.htm)

(<http://www.opm.gov/retire/pre/naf/naf-4.htm>)

### [Thrift Savings Plan](http://www.tsp.gov)

([www.tsp.gov](http://www.tsp.gov))

#### [Administrative error correction regulations at 5 CFR 1605](http://www.ecfr.gov/cgi-bin/text-idx?SID=8a88757c7e02f3b12d1d5fc79d43b2a3&mc=true&node=pt5.3.1605&rgn=div5)

(<http://www.ecfr.gov/cgi-bin/text-idx?SID=8a88757c7e02f3b12d1d5fc79d43b2a3&mc=true&node=pt5.3.1605&rgn=div5>)

## Nonappropriated Fund Web Links

### [DoD NAF Personnel Policy Division, DCPAS](https://dodhrinfo.cpms.osd.mil/Directorates/HROPS/NAF-Personnel-Policy/Pages/Home1.aspx)

(<https://dodhrinfo.cpms.osd.mil/Directorates/HROPS/NAF-Personnel-Policy/Pages/Home1.aspx>)

### [DoD NAF Health Benefit Plan](https://www.nafhealthplans.com/)

(<https://www.nafhealthplans.com/>)

NAF Employers Benefits Sites:

[Army NAF Benefits](http://www.armymwr.com/naf-benefits.aspx) (<http://www.armymwr.com/naf-benefits.aspx>)

[CNIC NAF Benefits](http://www.navymwr.org/resources/hr/) (<http://www.navymwr.org/resources/hr/>)

[Marine Corps NAF Benefits](http://usmc-mccs.org/employ/benefits/) (<http://usmc-mccs.org/employ/benefits/>)

[NEXCOM NAF Benefits](https://www.nafhealthplans.com/enrollment/nexcom/) (<https://www.nafhealthplans.com/enrollment/nexcom/>)

[Air Force NAF Benefits](https://www.usafservices.com/NAFInsuranceBenefits.aspx) (<https://www.usafservices.com/NAFInsuranceBenefits.aspx>)

[AAFES NAF Benefits](http://odin.aafes.com/employment/BenefitsHomepage.html) (<http://odin.aafes.com/employment/BenefitsHomepage.html>)

## SECTION 13: FREQUENTLY ASKED QUESTIONS

### 13.1. APPOINTMENT.

**Q1. Are NAF employees eligible to apply for APF civil service positions?**

**A1.** If the vacancy announcement is open to employees eligible to be appointed under Interchange Agreements, NAF employees may apply for the position. The DoD/OPM Interchange Agreement permits an agency to noncompetitively appoint an eligible NAF employee to a career or career-conditional appointment (essentially, the move is treated as a transfer).

**Q2. Are NAF employees required to serve a two-year probationary period when they move to a DoD civil service position?**

**A2.** DoD NAF employees hired under the DoD/OPM Interchange Agreement do not have to serve a new or extended probationary period if they previously completed a probationary period in the losing employment system. DoD NAF employees not hired under the DoD/OPM Interchange Agreement must serve the required probationary period, but may receive credit for NAF service consistent with applicable government-wide regulations.

### 13.2. PORTABILITY OF NON-RETIREMENT BENEFITS.

**Q1. Is it possible for an employee to qualify for an election to retain NAF or CSRS/FERS retirement coverage, but not qualify for portability of non-retirement benefits?**

**A1.** Yes. Most non-retirement portability benefits require the employee to move between positions in DoD, with a break in service of not more than 3 days. The retirement coverage election criteria permits an employee to move between retirement-covered DoD NAF and civil service positions in any agency, with a break in service of not more than one year.

**Q2. Can a DoD civil service employee continue to participate in FEHBP and FEGLI after moving to a DoD NAF position?**

**A2.** No. Employees moving between NAF and civil service will be covered by the health and life insurance plans covering the position in the gaining employment system. Civil service positions are covered under FEHBP and FEGLI. NAF employees are covered by a DoD-wide NAF Health Benefits Program (HBP) and Component-specific NAF life insurance programs.

**Q3. Employees who move between NAF and civil service positions within DoD without a break in service of more than 3 days are eligible for transfer of annual leave balance. May they instead receive a lump-sum payment for accumulated leave?**

**A3.** No. Employees who are eligible for transfer of annual leave balance may not receive a lump-sum payment for annual leave.

**Q4. Where may civil service HROs get information about an employee's former DoD NAF employment, retirement coverage, and other NAF benefits?**

**A4.** Questions about former DoD NAF service and benefits should be directed to the appropriate DoD Component's servicing NAF HRO or NAF retirement benefits office. Points of contact for

former DoD NAF employers are found on Table 8 in Section 12 of this Guide. Points of contact for Component NAF retirement plans are found on Table 9 in Section 12 of this Guide. HROs may also e-mail questions to DCPAS at [dodhra.mc-alex.dcpas.mbx.naf@mail.mil](mailto:dodhra.mc-alex.dcpas.mbx.naf@mail.mil).

**Q.5. If an employee received credit for non-Federal service in an APF civil service position, will that non-Federal service be creditable towards NAF leave accrual if the employee moves from a DoD APF civil service position to a DoD NAF position without a break in service of more than three days?**

**A.5.** Yes. Once earned, non-federal service credit is permanent for purposes of civil service leave accrual rate. A DoD APF civil service employee who moves under portability of benefits provisions to a DoD NAF position that provides annual leave benefits receives service credit towards NAF annual leave accrual rate (see DoDI 1400,25, Volume 1406, Enclosure 3, subparagraph (4)(c)).

### **13.3. PORTABILITY OF RETIREMENT COVERAGE.**

**Q1. What are the eligibility requirements for portability of retirement benefits?**

**A1.** To qualify for an election to continue retirement plan coverage, an employee must move between a retirement-covered DoD or Coast Guard NAF position and a retirement-covered civil service position without a break in service of more than one year. The civil service position may be in any agency; movement is not restricted to within DoD. For moves after December 28, 2001, the employee may elect to continue retirement coverage even if not vested in the retirement plan at the time of the move. Employees who have already had an opportunity to continue retirement coverage based on a previous qualifying move are not eligible for a second opportunity to continue coverage in the same system.

**Q2. Will employees who previously moved between NAF and APF and made retirement elections to remain in their previous employer's retirement system be given another retirement election?**

**A2.** No. Employees who elected to remain in a retirement system have made an irrevocable election that stays in effect for all future NAF or APF civil service. (For example, an employee who previously elected to remain in FERS when his position became NAF will be in FERS whether he moves to an APF civil service or NAF position.)

**Q3. What does it mean to be given a "one-time opportunity" to make a retirement coverage election?**

**A3.** Employees are entitled to one opportunity to remain in their current retirement system when they move between NAF and civil service positions. This means that in a NAF to APF civil service move, there is one-opportunity to remain in the NAF retirement plan, and in an APF civil service to NAF move, there is one opportunity to remain in CSRS or FERS. Elections are permanent and irrevocable. Once an employee makes an election, the employee will never be given that election opportunity again. The below examples illustrate how the election opportunity works:

Example: Employee moves from NAF to APF civil service position and elects to remain in NAF retirement plan.

Direction of the move	Employee A makes a qualifying move from an Army NAF position to a civil service position covered by FERS.
Election opportunity	The employee receives an election to remain in the Army NAF retirement plan as a civil service employee.
Employee's decision	The employee elects to remain in the Army NAF retirement plan
Effect of decision	Employee A will always be in the Army NAF retirement plan, regardless of any future moves to a civil service or DoD NAF position.
Any future elections to retain retirement coverage possible?	No. Employee A made an irrevocable decision to be covered by the Army NAF retirement plan. The employee will never receive another retirement portability election opportunity.

Example: Employee moves from NAF to APF civil service position and elects **NOT** to remain in NAF retirement plan.

Direction of the move	Employee B makes a qualifying move from an Air Force NAF position to a civil service position covered by FERS.
Election opportunity	The employee receives an election to remain in the Air Force NAF retirement plan as a civil service employee.
Employee's decision	The employee elects <b>NOT</b> to remain in the Air Force NAF retirement plan.
Effect of decision	Employee B will be covered by FERS while in the civil service position. Employee B will never receive another opportunity to retain NAF retirement plan coverage as a civil service employee.
Any future elections to retain retirement coverage possible?	Yes. If Employee B makes a qualifying move from the FERS position to a NAF position, the employee will receive an election to remain in FERS as a NAF employee.

Example: Employee makes two moves between NAF and APF civil service. One qualifying move from NAF to APF civil service, with election **NOT** to remain in NAF retirement plan. A second move from APF civil service back to NAF, with election to remain in FERS.

<b>First Move for Employee C</b>	
Direction of the move	Employee C makes a qualifying move from an AAFES NAF position to a civil service position covered by FERS.
Election opportunity	The employee receives an election to remain in the AAFES NAF retirement plan as a civil service employee.
Employee's decision	The employee elects <b>NOT</b> to remain in the AAFES NAF retirement plan.
Effect of decision	Employee C will be covered by the FERS retirement plan while in the civil service position. Employee C will never receive another opportunity to retain NAF retirement plan coverage as a civil service employee.

<b>Second Move for Employee C</b>	
Direction of the move	Employee C makes a qualifying move from a civil service position covered by FERS to a NEXCOM NAF position.
Election opportunity	The employee receives an election to remain in FERS as a NAF employee.
Employee's decision	Employee C elects to remain in FERS.
Effect of decision	Employee C will be in FERS for all future NAF or APF service.
Any future elections to retain retirement coverage possible?	No. Employee C made an irrevocable decision to remain in FERS. The employee will never receive another retirement portability election opportunity.

Example: Employee makes two moves between NAF and APF civil service . One qualifying movement from NAF to APF civil service, with election NOT to remain in NAF retirement plan. A subsequent second move from APF civil service back to NAF, with election NOT to remain in FERS.

<b>First Move for Employee D</b>	
Direction of the move	Employee D makes a qualifying move from a U.S. Marine Corps NAF position to a civil service position covered by FERS.
Election opportunity	The employee receives an election to remain in the Marine Corps NAF retirement program as a civil service employee.
Employee's decision	The employee elects NOT to remain in the Marine Corps NAF retirement plan.
Effect of decision	Employee D is covered by the FERS retirement plan while in the civil service position. Employee D will never receive another opportunity to retain NAF retirement plan coverage as a civil service employee.
<b>Second Move for Employee D</b>	
Direction of the move	Employee D makes a qualifying move from the civil service position covered by FERS to a CNIC NAF position.
Election opportunity	The employee receives an election to remain in FERS as a NAF employee.
Employee's decision	Employee D elects NOT to remain in FERS.
Effect of decision	Employee becomes covered by the CNIC NAF retirement plan.
Any future elections to retain retirement coverage possible?	No. Employee D has used the "one-time opportunity" for both FERS and NAF. In any future moves, Employee D will be covered by the retirement system that covers the assigned position. For example, if the employee moves back to an APF civil service position, coverage will be under FERS; if the employee moves from CNIC NAF to a NEXCOM NAF position, coverage will be under the NEXCOM NAF retirement plan.

**Q4. Is it possible for an employee to qualify for portability of non-retirement benefits, but not qualify to retain NAF or CSRS/FERS retirement coverage?**

**A4.** Yes. Portability of non-retirement benefits does not require that the employee move to a retirement-covered position or be eligible for a retirement coverage election.

**Q5. Must an employee be vested in their retirement plan in order to qualify for a retirement coverage election?**

**A5.** No. The requirement that an employee be vested in order to have a retirement coverage election was changed by P.L. 107-107. Employees moving after December 28, 2001 do not have to be vested to qualify for a retirement coverage election. Employees do have to be in a retirement-covered position.

**Q6. Must a NAF employee participate in a NAF defined benefit plan in order to be eligible to remain in the NAF retirement system?**

**A6.** Yes. Participation only in a NAF 401(K) defined contribution plan does not qualify the employee for a retirement election.

**Q7. Can an employee remain in FERS and participate in the NAF 401k program?**

**A7.** No. Under portability law, civil service employees who move to NAF positions and elect to remain in FERS continue to be covered by TSP. Only employees who are covered by a NAF retirement plan may participate in that NAF plan's 401(k).

**Q8: Where can HRO staff find retirement portability election forms?**

**A8:** The retirement election forms used for current portability moves are:

- RI 38-144, "Election to Retain CSRS, CSRS Offset, or FERS Retirement Coverage as a Result of a Move from a Civil Service Position to a NonAppropriated Fund (NAF) Position On or after December 28, 2001," and
- RI 38-134, "Election to Retain NonAppropriated Fund (NAF) Retirement Coverage as a Result of a Move From a Nonappropriated Fund Position to A Civil Service Position On or After December 28, 2001."

These forms were all attachments to BAL 02-102, dated May 1, 2002. Fillable election forms can be found on [OPM's archived BAL website](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters), click tab 2002-1995. (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters> ). Informational copies of the forms are in Appendix 6A and 6B of this Guide.

**Q9: Are the election forms for FERS coverage used for all FERS elections, including FERS-RAE and FRAE?**

**A9:** Yes, the same forms are used. The contribution level differences do not affect portability elections.

**Q10. When are employees given the retirement coverage election?**

**A10.** The appointing HRO offers the employee the retirement coverage election, after confirming eligibility.

**Q11. Does the NAF retirement system contain the same special provisions as CSRS/FERS?**

**A11.** No. For example, none of the NAF retirement plans contain special provisions to cover law enforcement positions. If an employee intends to move to a civil service law enforcement

position, an election to retain NAF retirement plan coverage may not be compatible with the employee's career choice.

**Q12. If an employee who elected to remain in the NAF retirement system moves to a civil service law enforcement position, can he or she switch to FERS coverage to be covered by the special law enforcement provisions?**

**A12:** No. The employee made an irrevocable decision to remain in the NAF retirement system. The employee will be covered by the elected NAF retirement plan, in accordance with the rules of that plan, for all future NAF or civil service employment.

**Q13: If an APF civil service employee is making military deposits (allotments to DFAS for CSRS/FERS credit for military time) prior to a move to a DoD NAF position, what happens to the military deposits after the move?**

**A13.** Military deposits for FERS/CSRS/CSRS Offset employees paid by NAF Financial Services (NFS) are payroll deducted or paid in full via single check. The collecting payroll office remits the repayment to OPM under their respective payroll office number. So, if NFS gets an employee from APF that has already started paying his military deposit, the APF payroll office will complete an Individual Retirement Record (IRR) for monies they collected and remitted. NFS will need to receive the Military deposit documentation as well as something to show how much the employee paid or has remaining to pay so NFS can resume deductions. The APF LES shows this. Once the NFS portion of deductions is complete NFS will send an IRR for such to OPM.

**Q14. If an individual who previously elected to retain FERS retirement coverage retires, and is appointed to a NAF position, is that person eligible to participate in the employing NAF retirement system and 401(k) savings plan?**

**A14.** No. The individual made an irrevocable decision to remain in FERS regardless of future moves between NAF and APF civil service employment, breaks in service, and changes in retirement status. The individual will be subject to FERS reemployed annuitant rules in DoDI 1400.25, Volume 300. Under those rules, with certain exceptions, reemployed annuitants continue to receive their full FERS annuity, but will only be eligible to contribute to FICA during the reemployment in DoD. Reemployed annuitants are not eligible to make retirement contributions or participate in TSP or the NAF 401(k).

**Q15 If an individual who previously elected to retain coverage in a NAF retirement plan retires, and is appointed to an APF civil service position, is that person eligible to participate in FERS and TSP?**

**A15.** No. The individual made an irrevocable decision to remain in the NAF retirement plan regardless of future moves between NAF and APF civil service employment, breaks in service, and changes in retirement status. The individual will be subject to the reemployed annuitant rules of the Component NAF retirement plan in which the individual retained coverage. The gaining APF civil service HRO will need to obtain guidance from the applicable NAF retirement benefits office. Depending upon which Component NAF retirement plan covers the employee, the employee may be eligible to resume contributions and receive a recalculated annuity when the employee again retires.

**Q16. Is it possible for an individual to receive two annuity checks—one from a NAF retirement plan and one from CSRS/FERS?**

**A16.** Yes. An individual may earn a retirement annuity in the NAF retirement system and a retirement annuity from CSRS/FERS. Unless the employee makes a portability of benefits retirement coverage election, service in the NAF employment system and civil service system are totally separate for purposes of retirement benefits.

**Q17. Are employees who elected to retain retirement coverage from their previous employer (NAF or APF civil service) eligible under the gaining employer's Voluntary Early Retirement Authority/Discontinued Service Retirement?**

**A17.** Yes. However, the employee is subject to the retirement eligibility and funding requirements of the retained retirement coverage.

**Q18. If an employee elects to retain Army NAF retirement coverage following a qualifying move to an APF civil service FERS-covered position, will the employee always be subject to the Army NAF retirement plan? What if the employee later moves to a Marine Corps NAF position.**

**A18.** Yes, the employee made an irrevocable decision to be covered by the Army NAF retirement plan, regardless of future moves between NAF and APF civil service employment, breaks in service, and changes in retirement status. If the employee moves from the APF civil service position to a Marine Corps NAF position, the employee remains covered by the Army NAF retirement plan.

## GLOSSARY

### G.1. ACRONYMS.

APF	appropriated fund
AAFES	Army and Air Force Exchange Service
BAL	benefits administration letter
BBA	business based action
CNIC	Commander, Navy Installation Command
CFR	Code of Federal Regulations
CSRS	civil service retirement system
DASD(CPP)	Deputy Assistant Secretary of Defense (Civilian Personnel Policy)
EMF	employee medical folder
e-OPF	electronic official personnel folder
FEGLI	Federal employees group life insurance
FEHB	Federal employees health benefits
FERCCA	Federal Erroneous Retirement Coverage Corrections Act
FERS	Federal employees retirement system
FRAE	further revised annuity employee
HBP	health benefits program
HRO	human resources office
IRR	individual retirement record
MRPF	merged records personnel folder
MSPB	Merit System Protection Board
MWR	Morale, Welfare, and Recreation
NAF	nonappropriated fund
NAFI	Nonappropriated Fund Instrumentality
NEXCOM	Navy Exchange Service Command
NOAC	nature of action code
OPF	official personnel folder
OPM	Office of Personnel Management
Public Law	Public Law
RAE	revised annuity employee

RIF	reduction in force
SF	standard form
TCC	temporary continuation of coverage
TSP	Thrift Savings Plan
UFM	uniform funding management
U.S.C.	United States Code

## REFERENCES

### Law

United States Code, Title 5, Section 2105(c),

United States Code, Title 5, Section 8332 (b) (16), implements Public Law 99-638, providing CSRS credit for certain NAF service.

United States Code, Title 5, Sections 8347 (q), and 8461 (n) implement Section 1131 of Public Law 107-107, providing retirement portability elections for employees moving between NAF and APF civil service positions.

United States Code, Title 5, Sections 8332 (b) (17) and 8411 (b) (6) implement Section 1132 of Public Law 107-107, permitting an employee to elect to credit NAF service towards CSRS or FERS immediate retirement.

### OPM Regulations and Guidance

Code of Federal Regulations, Title 5, Parts 831 (Retirement), 837 (Reemployment of Annuitants), 841 (FERS General Administration), 842 (FERS Basic Annuity), 843 (FERS Death Benefits and Employee Refunds), 844 (FERS Disability Retirement), and 847 (Election of Retirement Coverage by Current and Former Employees of Nonappropriated Fund Instrumentalities) provide retirement regulations applicable to CSRS and FERS.

Code of Federal Regulations, Title 5, Part 1620, Subpart D, provides regulations governing TSP participation by employees who move between DoD NAF and APF civil service positions.

[OPM Benefits Administration Letter 96-107](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/1996/96-107.pdf), August 20, 1996, deals with retirement election opportunities for certain NAF employees appointed to civil service positions on or after August 10, 1996. (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/1996/96-107.pdf>)

[OPM Benefits Administration Letter 96-108](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/1996/96-108.pdf), September 6, 1996, deals with retirement election opportunities for certain FERS employees appointed before August 10, 1996, with previous NAF service in DoD or the Coast Guard. (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/1996/96-108.pdf>)

[OPM Benefits Administration Letter 02-102](https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102.pdf), May 1, 2002, describes retirement election opportunities under Public Law 107-107 for employees moving between civil service and NAF positions on or after December 28, 2001. (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2002/02-102.pdf>)

[OPM Benefits Administration Letter 03-102](#), January 22, 2003, (see tab 2003) describes how employees may make an election to credit NAF service to qualify for immediate retirement and how to compute the annuity when such an election is made. (<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2003/03-102.pdf>)

#### DoD References\*

Deputy Assistant Secretary of Defense (Civilian Personnel Policy) (DASD(CPP)) memorandum dated April 16, 1991, Subject: “DoD Employee Benefit Portability Program”

DASD (CPP) memorandum dated August 9, 1996, Subject: “Retirement Coverage Election Under Section 1043, Public Law 104-106”

DASD (CPP) memorandum dated October 28, 1996, Subject: “Retirement Coverage Election Under Section 1043, Public Law 104-106”

DASD (CPP) memorandum dated January 8, 1997, Subject: “Federal Retirement Thrift Investment Board Regulations Implementing Pension Portability Provisions”

DASD (CPP) memorandum dated July 14, 1997, Subject: “Retroactive Retirement Coverage Elections under Section 1043, Public Law 104-106”

DASD (CPP) memorandum dated June 10, 2002, Subject: “Retirement Election Opportunities Under Public Law 107-107, The National Defense Authorization Act for Fiscal Year 2002”

DUSD (CPP) memorandum dated March 12, 2003, Subject: “Retirement Election Opportunities Under Public Law 107-107, National Defense Authorization Act for Fiscal Year 2002”

DoDI 1400.25, “DoD Civilian Personnel Management,” provides civilian personnel policy for DoD. [Volumes 1401 through 1471](#) contain Nonappropriated Fund Personnel Management policy. ([http://www.dtic.mil/whs/directives/corres/CPM\\_table2.html](http://www.dtic.mil/whs/directives/corres/CPM_table2.html))

[DoD Financial Management Regulation 7000.14-R, Volume 8](#), Civilian Pay Policy and Procedures, provides payroll regulations for appropriated fund activities. ([http://comptroller.defense.gov/Portals/45/documents/fmr/Volume\\_08.pdf](http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_08.pdf))

[DoD Financial Management Regulation 7000.14-R, Volume 13](#), Nonappropriated Funds Policy and Procedures, directs financial management requirements, systems, and functions for NAF activities. ([http://comptroller.defense.gov/Portals/45/documents/fmr/Volume\\_13.pdf](http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_13.pdf))

\* Copies of DASD (CPP)/DUSD (CPP) memorandums are available from the Benefits, Wage & NAF Personnel Line of Business, Defense Civilian Personnel Advisory Service, 4800 Mark Center Drive, Suite 06G21, Alexandria, VA 22350-1100, Telephone (571) 372-1566 or DSN 372-1566.