

## **Q&A on Uniform Funding and Management Authority**

### **Employee Moves from Appropriated Fund to Nonappropriated Fund (NAF) Positions under the Uniform Funding and Management Authority**

Q. What is the statutory and regulatory basis for the uniform funding and management (UFM) authority, which facilitates the movement of appropriated fund Morale, Welfare, and Recreation (MWR) positions to the NAF employment system?

A. UFM authority was granted to the Department of Defense (DoD) by the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2003, Section 323 (Public Law 107-314, 116 Stat 2510-2511), December 2, 2002. This authority is codified in title 10, United States Code, section 2491, and is regulated by DoD Instruction 1015.15, Procedures for Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources, May 25, 2005.

Q. What does UFM authority allow the Department to do?

A. Under UFM authority, DoD managers in morale, welfare, and recreation (MWR) activities may identify appropriated fund MWR positions to move to NAF while continuing to fund the positions with appropriated funds. Employees encumbering identified positions may voluntarily move to NAF with their positions, without a break in service. Employees who decline to move to NAF are not subject to removal from their appropriated fund positions on that basis. They may continue to work indefinitely in their appropriated fund positions.

Q. What are the benefits and entitlement implications for employees who accept these movements?

A. Moves to NAF under UFM are not considered to be involuntary separations and do not entitle employees to appropriated fund severance pay, back pay, or separation pay. However, they are entitled to certain portability of benefit protections, including transfer of annual, sick, and home leave, credit for annual leave accrual rates, and retirement portability. Under retirement portability provisions, eligible employees may continue to be covered by their civil service retirement plan (either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS)) as NAF employees, or to instead join the NAF retirement plan. An employee who is eligible to retire from CSRS or FERS may do so before moving to a NAF position under UFM authority. A CSRS or 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. Therefore, the annuitant is not subject to the DoD policy on hiring and compensating CSRS or FERS annuitants.

Employees who move to NAF may not continue to participate in the Federal Employees Health Benefits or Federal Employees Group Life Insurance programs. However, eligible employees may elect to join the DoD NAF health benefits program and may enroll in the NAF employer's life insurance program.

Q. Where is further information available?

A. Further information on benefits portability for moves between the civil service and NAF employment systems is posted on the CPMS web site at [www.cpms.osd.mil/nafpoo](http://www.cpms.osd.mil/nafpoo). Questions about civil service benefits and entitlements may be referred to the Benefits and Entitlements Branch. NAF-related questions may be referred to the NAF Personnel Policy Office.