

**CHAPTER 6**

**REDUCTION IN FORCE**

**and**

**FURLOUGH**

NOTE: This chapter should be read in conjunction with local activity instructions and with any negotiated agreements between your activity and an exclusively recognized labor organization. Contract language will take precedence over conflicting provisions in this manual. Areas of uncertainty should be discussed with the Human Resources Office.

## REDUCTION-IN-FORCE

### 1. BACKGROUND

The U.S. Office of Personnel Management (OPM) develops policy and provides guidance on Reduction-in-Force (RIF). The regulatory requirements governing RIF are contained in Title 5, Code of Federal Regulations (CFR) part 351. Each agency is responsible for assuring that the provision in their RIF policies and procedures are uniformly and consistently applied in RIF situations.

RIF will be kept to a minimum. Consideration should be given prior to a RIF to absorb excess employees across departmental lines within an activity. Employees shall be informed as far in advance as possible of significant employment changes. When necessary, group meetings will be held to give employees an opportunity to ask questions and clarify any misunderstandings. Outplacement efforts will be made on behalf of all employees scheduled to be separated as a result of a RIF.

### 2. DEFINITIONS

#### **ASSIGNMENT RIGHTS**

When competing employees are released from their competitive level, their assignment rights must be determined. Assignment rights, called bump and retreat, constitute the second round of competition when employees compete for jobs in other competitive levels. Only competitive service employees in Tenure Group I or II who have a current annual performance rating of "Acceptable" have assignment rights.

#### **BUMPING**

Displacing an employee in a lower tenure group, or in a lower subgroups within the released employee's own tenure group. Although the released employees must be qualified for the position, it may be a position that they have never held.

#### **COMPETITIVE AREA**

The organizational and geographical boundaries in which employees compete for retention during the RIF.

#### **COMPETITIVE LEVEL**

All positions in a competitive area that is in the same grade and classification series. These are positions so alike in duties, qualification requirements, pay schedules, and working conditions, that an incumbent of one position can successfully perform the duties of any other position in that level.

#### **GRADE INTERVALS**

The grade limits of an employee's assignment rights are determined by the grade progression of the position from which the employee is released.

#### **LOCAL COMMUTING AREA**

A geographic area which makes up an area for employment. It includes a population center (or two or more neighboring ones) and the surrounding areas from which people can reasonably be expected to travel back and forth in their normal employment.

### **REDUCTION-IN-FORCE**

The releases of an employee from the competitive level by separation, demotion, furlough for more than 30 days, or reassignment requiring displacement.

### **RETENTION REGISTER**

A list of employees established for each competitive level. Separate retention registers are maintained for the competitive and excepted services.

### **RETENTION REGISTER ORDER**

A list of competing employees in descending order on a retention register. Employees are listed first by tenure group, with Group I first. Within each tenure group, employees are further listed by veteran's preference subgroup. Subgroup AD is first, followed by subgroup A and then subgroup B. Finally, within each subgroup, employees are listed by service computation date.

### **RETREATING**

Displacing an employee with less service within the released employee's own tenure group and subgroup. The position may be up to five grades (grade-intervals) lower than the position held by the released employees if they are disabled veterans in Subgroup AD. The position must also be the same position or essentially identical to a position held by the released employee in any Federal agency on a permanent basis. An employee with a current annual performance rating of Unacceptable only has retreat rights to positions held by employees with the same or lower ratings.

### **ROUNDS OF COMPETITION**

The different stages of competing for retention in the competitive area during RIF. In the first round of competition, employees compete to stay in their competitive level. In the second and subsequent rounds, employees compete for assignment to a position in a different competitive level.

### **RIF SERVICE COMPUTATION DATE**

The length of creditable government service for each employee competing under RIF. This date incorporates creditable civilian and military service, and additional service credit for certain performance ratings.

## **3. USE OF RIF PROCEDURES**

An activity is required to use the RIF procedures when an employee is faced with separation or downgrading for a reason such as reorganization, lack of work, shortage of funds, insufficient personnel ceiling, or the exercise of certain re-employment or restoration rights. A furlough of more than 30 calendar days, or of more than 22 discontinuous workdays, is also a RIF action. (A furlough of 30 or fewer calendar days, or of 22 or fewer discontinuous workdays, is an adverse action.)

## **4. USE OF VOLUNTARY SEPARATION INCENTIVE PAY (VSIP) PROGRAMS PRIOR TO RIF**

An activity is required to request authority to offer separation incentives to employees in conjunction with requesting RIF authority. Under this program, permanent employees are offered up to \$25,000 to separate from service either by resignation or retirement. Activities may also request authority to offer Voluntary Early Retirement Authority (VERA) retirements to employees who do not meet the age and service requirements for optional retirement. Use of these authorities may negate the need for the activity to conduct a RIF. Major claimants have the authority to approve SIP Program requests from activities. The DOD must approve

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VERA retirement authority. Activities should consult with their servicing HRO for the specific procedures for requesting RIF, SIP, or VERA authorities.

### **5. RESPONSIBILITIES**

#### **a. Management**

- 1) An activity has the responsibility to decide whether a RIF is necessary, when it will take place, and what positions are abolished. However, the abolishment of a position does not always require the use of RIF procedures. The activity may reassign an employee without regard to RIF procedures to a vacant position at the same grade or pay, regardless of where the position is located.
- 2) In reductions where there is reasonable expectation that a significant number of employees being released will be recalled to their positions within one year, consideration will be given to placing employees on a one-year furlough.
- 3) Certain management actions can serve to lessen the adverse effects of a RIF. The following actions are consistent with good management practice and are recommended:
  - Keep all parties informed as soon as information is available. Opening lines of communication with employees and their union representatives enhance understanding and acceptance of RIF and encourage the continuation of an efficient operation with minimum disruption.
  - Consider vacancies for possible use in RIF placement.
  - If possible, fill positions with temporary employees until the RIF takes place.

#### **b. HRSC-NW**

- Establish and maintain current employee retention registers.
- Conduct the RIF.
- Registers separated employees and employees changed to lower grades in DON, DOD, and OPM placement referral programs.

#### **c. HRO**

- Determine competitive areas of competitive levels in which employees compete for positions.
- Determine the degree to which minimum qualifications may be waived for reassignment during reductions.
- Identify affected employees when transfers of function occur.

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- Ensure that employees changed to a lower grade as a result of RIF actions receive priority consideration for promotion to vacancies occurring subsequent to the effective date of demotions.
- Provide outplacement services to affected employees.

### 6. APPLYING RIF REGULATIONS

#### a. Competitive Area

First the activity defines the competitive area. The minimum competitive area in the departmental service is a bureau, major command, directorate, or other equivalent major subdivision of an activity within a local commuting area.

#### b. Competitive Level

Next, the activity groups interchangeable positions into competitive levels based upon similarity of grade, series, qualifications, duties, and working conditions. Positions with different types of work schedules (e.g., full-time, part time, intermittent, seasonal, or on call) are placed in different competitive levels. Because of differences in duties and responsibilities, positions of supervisors and management officials are placed in competitive levels comprised only of these positions.

#### c. Retention Registers

Then, the four retention factors are applied and the competitive level becomes a retention register listing employees in the order of their retention standing:

##### 1) Tenure

Employees are ranked on a retention register in three groups according to their types of appointment.

- **Group I**

Career employees who are not serving on probation. (A new supervisor or manager who is serving a probationary period that is required on initial appointment to that type of position is not considered to be serving on probation if the employee previously completed a probationary period.)

- **Group II**

Career employees who are serving a probationary period, and career-conditional employees.

- **Group III**

Employees serving under term and similar non-status appointments. (An employee serving under a temporary appointment in the competitive service is not a competing employee for RIF purposes and is not listed on the retention register.)

##### 2) Veteran Preference

Each group is divided into three subgroups reflecting their entitlement to veterans preference:

- **Subgroup AD**

Veterans with a compensable service-connected disability of 30% or more.

- **Subgroup A**  
Veterans not included in subgroup AD.
- **Subgroup B**  
Non-veterans

### 3) Length of Service

Employees are ranked by service dates within each subgroup. The service dates include creditable civilian and military service, and additional service credit for certain performance ratings.

### 4) Performance

Employees may receive extra RIF service credit for performance based upon the average of their three most recent annual performance ratings of record received during the four-year period prior to the date the activity issues specific RIF notices.

### 5) Release

Within a competitive level, employees are released from the retention register in the inverse order of their retention standing.

## 7. RIGHT TO OTHER POSITIONS

- a. Employees in Groups I and II with current performance ratings of “Acceptable” are entitled to an offer of assignment if they have “bumping” or “retreating” rights to an available position in the same competitive area.
- b. An “available position must include all of the following:
  - Last at least three months
  - Be in the competitive service
  - Be one the released employee qualifies for
  - Have a pay rate no higher than the employee’s present position
  - Have the same type of work schedule
  - Be within three grades (or grade-intervals) of the employee’s present position (unless the employee is a disabled veteran—See definition of “Retreating”).

## 8. NOTICE TO EMPLOYEES

### a. Types of Notice

- **Specific Notice**  
The activity may choose to issue only specific notices if it knows the specific RIF action to be taken and can provide all the regulatory required information. When an activity cannot provide all the information, it may choose to issue a general notice.
- **General Notice**

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This tells an employee that a RIF action may be necessary but that the activity has not yet determined the specific action to be taken.

### **b. Minimum Notice Period**

- The activity must issue a specific RIF notice at least 60 days before a RIF effective date.
  - In addition to the specific RIF notice issued, the activity may issue a general notice at least 60 days before the RIF effective date.
  - At management's discretion, an additional notice period beyond 60 days may be approved in an active duty, annual leave, or Leave Without Pay (LWOP) status for a total notice period of up to 90 days.
  - Extensions to the notice period granted under this section will be treated as a discretionary exception.
- c. RIF notices will not be issued and RIF actions will not be taken during the period December 15 through January 3.
- d. If, after receipt of a RIF notice, a more severe action (i.e., a change from downgrade to separation) is necessary, the employee will be given a new 60-day notice. A change involving a less severe action does not require extending the original notice period.
- e. Tenure Groups I and II employees who are scheduled to be separated by RIF may request annual leave or LWOP to extend the notice period to 90 calendar days.

### **9. OUTPLACEMENT ASSISTANCE**

Employees who are downgraded or separated due to RIF may be eligible for placement assistance through the following programs:

- DOD Priority Placement Program (PPP)
- OPM Interagency Placement Program (IPP)
- Re-employment Priority List (RPL)
- Defense Outplacement Referral System (DORS)

## FURLOUGH

### 1. PURPOSE

A furlough is the placement of an employee, in a temporary non-duty and non-pay status on either a continuous basis (for example, ten consecutive days), or a non-continuous basis (for example, one day a week). RIF procedures must be followed to furlough an employee when the furlough will be for more than 30 consecutive days, or more than 22 workdays if done on a non-continuous basis.

### 2. TIME LIMIT

An employee may be furloughed for up to one year. The one-year limit begins on the effective date of the furlough.

### 3. ACTIVITY ACTIONS NOT ALLOWED

- Furlough any employee it does not intend to recall to duty in the same position within one year.
- Separate an employee through RIF while an employee with a lower retention standing in the same competitive level is on furlough.

### 4. RECALL

- a. If all employees furloughed from a competitive level cannot be recalled at the same time, the employees must be recalled according to their retention standing beginning with the highest standing employee.
- b. If a furloughed employee **refuses to return** or does not respond to an activity notice to return to duty, the activity may separate the employee by RIF effective on the specified date of recall. A new RIF notice of separation is not required.