

Restructuring Information Handbook Module 3

Reduction in Force

Unit E, Reduction in Force Service Credit (December 2002 version)

Introduction

The U.S. Office of Personnel Management developed the **Restructuring Information Handbook** to assist Federal agencies in identifying the mandatory statutory and regulatory procedures that apply to restructuring situations.

The Handbook also offers agencies options for minimizing or even eliminating the disruption that often results from restructuring.

There is no requirement for Federal agencies to use this Handbook. Also, the United States Court of Appeals for the Federal Circuit stated in **James v. Von Zemenszky**, 284 F.3D 1310 (2002), that: ". . . OPM's Restructuring Information Handbook is not a formal regulation, but merely an informal statement of agency views."

The structure of the Handbook assists the user in locating as much or as little restructuring information as the user needs. Some Modules contain only one **Unit**, while other Modules have two or more Units.

For subjects with mandatory statutory or regulatory requirements, **Unit A (Mandatory Requirements)** provides the user with a crash course on the subject in Section 1, and also with detailed information, complete with citations of requirements contained in law and regulation.

When appropriate, **Unit B (Guidance)** provides the user with useful guidance, including key appeals decisions from appellate bodies such as the Merit Systems Protection Board.

The summaries of appeals decisions are guidance prepared by individual OPM employees. The appeals summaries do not represent official summaries approved by OPM, the Board, or other appellate organizations, and are not intended to provide legal counsel or to be cited as legal authority. Instead, the appeals summaries inform and help the user locate relevant appellate precedents on a specific downsizing subject.

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Unit F (Basic Index to Module) and **Unit G (Detailed Index to Module)** help the user readily locate information within a specific Module.

Other Modules may contain additional Units, such as **Unit C (Appeals Index)**, and **Unit D (Samples)**.

Finally, Module 1 contains **Unit H, (Detailed Index to the Restructuring Information Handbook)**.

We welcome comments on the Restructuring Information Handbook.

Send any comments and suggestions to the Center for Talent and Capacity Policy at (202) 606-0960; FAX (202) 606-2329; or e-mail Thomas A. Glennon at taglenno@opm.gov.

Contents

OPM's Restructuring Information Handbook Module Handbooks contain the following topics:

Topic	Module	Unit(s)
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Human Resource Responsibilities in Restructuring	2	B, F, G
Reduction in Force	3	A, B, C, D, E, F, G
Transfer of Function	4	A, B, C, F, G
Reduction in Force Furlough	5	A, B, C, F, G
Reemployment Priority List	6	A, B, C, F, G
Career Transition Assistance	7	A, F, G
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Voluntary Early Retirement	9	A, B, C, F, G
Voluntary Separation Incentive Payments	10	A, B, C, F, G

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Using the Handbook

The Modules contain many cross-references to additional pertinent material. To assist in searches, each Module features a unique index system that assists the user in readily locating information in that Module or in the other Modules.

For example, a reference to "**3-A-15-3**" refers to:

- (1) Module 3 ("**Reduction in Force**"),
- (2) Unit A ("**Required Procedures**"),
- (3) Section 15 ("**Credit for Performance in Reduction in Force**"),
- (4) Paragraph 3 ("**Time Period Covered by Employees' Performance Ratings**").

For a second example, a reference to "**3-B-6-5-(b)**" refers to:

- (1) Module 3 ("**Reduction in Force**"),
- (2) Unit B ("**Guidance**"),
- (3) Section 6 ("**Reorganization and Job Erosion**"),
- (4) Paragraph 5 ("**Use of RIF Procedures in Job Erosion Situations**"),
- (5) Subparagraph (b).

All of the Modules use the same index system.

For example, a reference to "**4-A-4-3**" refers to:

- (1) Module 4 ("**Transfer of Function**"),
 - (2) Unit A ("**Required Procedures**"),
 - (3) Section 4 ("**Determining Whether the Transfer of Function Provisions are Applicable**"),
 - (4) Paragraph 3 ("**Basis for Transfer of Function Decisions**").
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Introduction Restructuring Information Handbook Module 3 provides guidance on OPM's Reduction in Force regulations published in part 351 of title 5 of the Code of Federal Regulations (5 CFR part 351). Module 3 presently consists of seven Units: (1) Unit A, "Required Procedures," (2) Unit B, "Guidance," (3) Unit C, "Reduction in Force Appeals Index," (4) Unit D, "Sample Downsizing Notices," (5) Unit E, "Reduction in Force Service Credit," (6) Unit F, "Basic Index to Module 3," and (7) "Detailed Index to Module 3." This is the December 2002 version of Unit E.

Contents This publication contains the following topics:

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RESTRUCTURING INFORMATION HANDBOOK MODULE 3

Reduction in Force

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Section 1, Overview of Reduction in Force Service Credit

Introduction This section provides an overview of the reduction in force service credit guidance contained in Unit 3-E. Each paragraph in Section 1 summarizes a specific reduction in force service topic. For more detailed guidance on topic, when applicable the paragraph in Section 1 has a reference to the appropriate material in Unit 3-E, or to related material in other Units of Module 3. The “Additional Information” paragraph below lists these references to Unit 3-E.

Contents This overview section contains the following topics:

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Additional Information This section in Restructuring Information Handbook Module 3, Unit E, has references to other sections in Unit 3-E for more detailed information on specific reduction in force service credit topics.

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To find additional information in this Module on the overview paragraph below in Unit 3-E,	In Unit 3-E see section, or paragraph:
3-E-1-3	3-E-4
3-E-1-3	3-E-5
3-E-1-5-(b)	3-E-7-7

E In Section 1, this symbol highlights where you can find more detailed information in Unit 3-E on a reduction in force service credit topic.

① This symbol guides you toward more general references on the subject in Module 3 or in the other Modules.

Section 1, Overview of Reduction in Force Service Credit

3-E-1-1 Background Information on Reduction in Force Service Credit

OPM's reduction in force regulations are derived from Section 12 of the Veterans' Preference Act of 1944, as the law is codified in Sections 3501 through 3503 of title 5, United States Code.

- (a) The law provides that OPM's reduction in force regulations must give effect to four factors in determining an employee's retention standing:
- (1) **Tenure** (type of appointment);
 - (2) **Veteran's preference**;
 - (3) **Length of service**; and
 - (4) **Performance ratings**
- (b) OPM implements the law through regulations published in Part 351 of title 5, Code of Federal Regulations (title 5 CFR Part 351).

- ① • See Restructuring Information Handbook, Module 3, Units **3-A** (“**Required Procedures**”) and **3-B** (“**Guidance**”) for guidance on OPM's reduction in force regulations.
- ① • This Unit (i.e., Unit **3-E**, “**Reduction in Force Service Credit**”) provides more detailed guidance on the basic reduction in force service credit material contained in Sections **3-A-14** and **3-B-14** of Module 3.
- ① • OPM previously published some of the reduction in force service credit information in Unit **3-E** as part of the “**Guide to Processing Personnel Actions (GPPA)**.”

3-E-1-2 Statutory Authority for Reduction in Force Service Credit Based on Civilian Service

The general statutory authority for civilian reduction in force service credit under OPM's 5 CFR part 351 retention regulations is paragraph 5 U.S.C. 3502(a)(3).

- E**
 - See Section **3-E-4** for more detailed guidance on civilian retention service credit authorized by statute.
-

3-E-1-3 **Statutory Authority for Reduction in Force Service Credit Based on Uniformed Service**

The general statutory authorities for reduction in force service credit under OPM's 5 CFR part 351 retention regulations based on uniformed service are:

- (a) Section 5 U.S.C. 3501(a)(3); and
- (b) Section 5 U.S.C. 3501(a)(A).
 - Section 5 U.S.C. 3501(a)(B) limits reduction in force service credit for most retired members of a uniformed service if the retired pay is based upon 20 or more years of active service.

- E**
 - See Section **3-E-5** for more detailed guidance on retention service credit based on uniformed service.

- E**
 - See Section **3-E-6** for more detailed guidance on retention service credit based on service performed by a retired member of a uniformed service.
-

3-E-1-4 **Regulatory Authority for All Reduction in Force Service Credit**

OPM implements the statutory requirements covering retention service credit through regulations published in section 351.503 of title 5, Code of Federal Regulations (5 CFR 351.503).

3-E-1-5 **Using Reduction in Force Service Credit to Determine Retention Standing**

The agency is responsible for following these two steps to calculate each competing employee's creditable retention service credit: (5 CFR 351.503(c)(1))

- (a) First, the agency computes a "**Service Computation Date**" (i.e., **SCD**) that includes each competing employee's documented creditable civilian and uniformed service. (5 CFR 351.503(c)(2))
- (b) Second, the agency then computes each competing employee's "**Reduction in Force Service Computation Date**" (i.e., **SCD-RIF**) that adds retention service credit for certain annual performance ratings of record to the employee's **SCD-RIF**. (5 CFR 351.503(c)(3))
 - The **SCD-RIF** is the date that the agency uses to determine employee's retention standing. (5 CFR 351.503(c)(3))
 - **Explanation-** The agency does not use the employee's **SCD-RIF** date for any other purpose (e.g., the agency does not use the SCD-RIF date to compute the employee's annual leave accrual, retirement eligibility, and/or severance pay benefit).

Some agencies will, as discretionary internal policy or as required under an applicable collective bargaining agreement, use the SCD-RIF date in making specific intra-agency personnel decisions (e.g., to determine which employee will be reassigned to another position, will be assigned to a designated work shift work, will work overtime, etc.).

- See paragraph **3-E-7-6** for more detailed guidance on "**Additional Reduction in Force Service Credit for Performance.**"

3-E-1-6 Types of Service Creditable for Reduction in Force Competition

Reduction in force service credit includes:

- (a) All civilian service as a Federal employee, as defined in Section 5 U.S.C. 2105(a); (5 CFR 351.503(a))
 - (b) Other civilian service specifically authorized by statute as creditable for retention purposes; (5 CFR 351.503(a)), and
 - (c) Active duty in a uniformed service, unless excluded by statute from credit for retention purposes. (5 CFR 351.503(b)(1))
- **Explanation**-Several statutes specifically authorize reduction in force service credit for employment that is not creditable for any other Federal program.

Other statutes specifically authorize service credit for purposes other than reduction in force service credit (e.g., for annual leave accrual, and/or retirement benefit).

- ①
 - See the “**Guide to Processing Personnel Actions**” on the OPM web site for information about creditable service for purposes of annual leave accrual.
- ①
 - See “**The Civil Service Retirement System/Federal Employees Retirement System (CSRS/FERS) Retirement Handbook**” on the OPM web site for information about creditable service for purposes of OPM’s two retirement systems.
- ①
 - The OPM web site address is www.opm.gov.

3-E-1-7 Documenting Reduction in Force Service Credit Decisions

The agency must document each reduction in force service credit decision in the employee's “**Official Personnel Folder**,” and in the “**Employee Performance Folder**.” (5 CFR 351.505(a))

- **Explanation**-Service credit is a statutory right. The agency is responsible for developing accurate personnel records that it uses to determine employees’ retention standing. This includes correctly calculating each competing employee’s SCD and SCD-RIF dates.

In a reduction in force appeal, the agency has the final burden of proof in defending its retention service credit decisions. The same burden of proof applies to decisions involving retention service credit for civilian service, and for uniformed service.

- For additional guidance, see **Mazzola v. Department of Labor**, 25 M.S.P.R. 682 (1985).
-

3-E-1-8

Contacting OPM on Retention Service Credit Issues

An agency may submit questions to OPM on reduction in force service credit matters, including what civilian and uniformed service is creditable, how to obtain records of potentially creditable service, and how to compute retention service computation dates.

- (a) An agency may submit reduction in force service credit questions to:

U.S. Office of Personnel Management
Employment Service
Office of Employment Policy
Staffing and Restructuring Policy Division
1900 E Street, NW
Washington, D.C. 20415-9700

Telephone: 202-606-0960
FAX: 202-606-2329
Web site: <http://www.opm.gov>

- ① (b) Questions regarding service credit for retirement purposes should be submitted to the individual agency's appropriate Retirement Counselor, consistent with Chapter 1C of "The CSRS and FERS Handbook."
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Section 2, Reduction in Force Service Credit Definitions

Introduction This section covers reduction in force service credit terminology. All of the terms are defined in statute and/or regulation.

Contents This section contains the following topics:

Topic	See Paragraph
Reduction in Force Service Credit Definitions	3-E-2-1

Additional Information When appropriate, Restructuring Information Handbook Module 3, Unit E (Reduction in Force Service Credit) has additional information on material in Unit 3-E.

To find additional information on this key paragraph in Unit 3-E,	In Module 3, see paragraph:
3-E-2-1-(o)	3-E-4-5
3-E-2-1-(r)	3-E-7-7

E This symbol highlights where you can find more detailed information in Unit 3-E on a reduction in force service credit topic.

i This symbol guides you toward more general references on the subject in Module 3 or in the other Modules.

Section 2, Reduction in Force Service Credit Definitions

3-E-2-1

Reduction in Force Service Credit Definitions

OPM applies the following definitions for purposes of reduction in force service credit:

- (a) **“Active duty”** means full-time duty in the active service of a uniformed service, and includes full-time training duty, annual training duty, and full-time National Guard duty. (37 U.S.C. 101)
- (b) **“Active service”** means service on active duty. (37 U.S.C. 101, in accordance with 5 U.S.C. 3501(a))
- (c) **“Air National Guard”** means "that part of the organized militia of the several States . . . , active and inactive that -
 - (A) is an air force;
 - (B) is trained, and has its officers appointed, under the sixteenth clause of section 8, article I of the Constitution;
 - (C) is organized, armed, and equipped wholly or partly at Federal expense; and
 - (D) is federally recognized." (32 U.S.C. 101)
- (d) **“Air National Guard of the United States (ANGUS)”** means the reserve component of the Air Force all of whose members are members of the Air National Guard. (32 U.S.C. 101)
- (e) **“Armed Forces”** means the Army, Navy, Air Force, Marine Corps, and Coast Guard. (5 U.S.C. 2101(2))
- (f) **“Army National Guard”** means "that part of the organized militia of the several States . . . , active and inactive that -
 - (A) is a land force;
 - (B) is trained, and has its officers appointed, under the sixteenth clause of section 8, article I of the Constitution;

(C) is organized, armed, and equipped wholly or partly at Federal expense; and

(D) is federally recognized." (32 U.S.C. 101)

- (g) **“Army National Guard of the United States (ARNGUS)”** is the reserve component of the Army all of whose members are members of the Army National Guard. (32 U.S.C. 101)
- (h) **“Civil Service”** is all "appointive positions in the executive, judicial, and legislative branches of the Government of the United States, except positions in the uniformed services." (5 U.S.C. 2101)
- (i) **“Creditable Service for Reduction in Force”** is service as a civilian employee as defined by 5 U.S.C. 2105(a) and other civilian service specifically creditable by statute, and uniformed service unless specifically excluded by state.
- (j) **“Employee,”** as defined in 5 U.S.C. § 2105(a), is:
- "(a) For the purpose of this title, "employee" . . . means . . . an individual who is--
- (1) appointed in the civil service . . . ;
 - (2) engaged in the performance of a Federal function under authority of law or an Executive Act; **and**
 - (3) subject to the supervision (of a Federal official) while engaged in the performance of the duties of his position." (Emphasis added.)
- (k) **“Executive Agency”** means an Executive department, a Government Corporation, or an independent establishment. (5 U.S.C. 105)
- (l) **“Executive Departments”** are the Departments of State, Treasury, Defense, Justice, Interior, Agriculture, Commerce, Labor, Health and Human Services, Housing and Urban Development, Transportation, Energy, Education, and Veterans Affairs. (5 U.S.C. 101)

- (m) **“Government Corporations”** are corporations owned or controlled by the U.S. Government. A **“Government Controlled Corporation”** does not include corporations owned by the U.S. Government. (5 U.S.C. 103)

- (n) **“Independent Establishment”** is:
 - (1) An establishment in the executive branch (except the U.S. Postal Service and Postal Rate Commission) which is not an Executive department, military department, Government corporation, or part of an independent establishment; (5 U.S.C. 104(1)), and
 - (2) The General Accounting Office. (5 U.S.C. 104(2))

- **Explanation**-Although the General Accounting Office (GAO) is part of the legislative branch, 5 U.S.C. 104 specifically includes GAO in the definition of “independent establishment.”

- (o) **“Nonappropriated Fund Instrumentalities (NAFI)”** are organizations in Department of Defense (DOD) military components, the Coast Guard in the Department of Transportation, and other United States instrumentalities under the jurisdiction of the armed forces whose employees are paid from nonappropriated funds and whose services are conducted for the comfort, pleasure, contentment, and mental and physical improvement of armed forces personnel. (5 U.S.C. 2105(c))
 - **Explanation**-The law identifies the following NAFI organizations:
 - (1) Army and Air Force Exchange Service;
 - (2) Army and Air Force Motion Picture Service;
 - (3) Navy Ships' Stores Ashore; and
 - (4) Navy, Marine Corps, and Coast Guard exchanges.

NAFI's are Federal instrumentalities. However, NAFI employees are not considered Federal employees, except as specifically provided in title 5 U.S.C.

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NAFI service is creditable for retention under OPM's reduction in force regulations only as authorized by 5 U.S.C. 3502(a)(C)(ii).

- E**
- See paragraph **3-E-4-5** for additional guidance on crediting NAFI service for reduction in force.
- (p) **“Reserve Components of the Armed Forces”** are the:
- (1) Army National Guard of the United States;
 - (2) Army Reserve;
 - (3) Naval Reserve;
 - (4) Marine Corps Reserve;
 - (5) Air National Guard of the United States;
 - (6) Air Force Reserve; and
 - (7) Coast Guard Reserve. (10 U.S.C. 10101)
- (q) **“Service Computation Date (SCD)”** is a date, either actual or computed, used to determine an employee's eligibility for certain Federal benefits. Service credit is expressed as a date, not in years, months and days. The date is calculated based on creditable service as a Federal civilian employee and as a member of the armed forces. The calculated date is the date an employee would have started creditable service had the employee's service been continuous. (5 CFR 351.503(c)(2))
- (r) **“Service Computation Date–RIF (SCD-RIF)”** is a combination of two (length of service and performance credit) of the four factors used to determine an employee's retention standing in a reduction in force. The SCD-RIF includes:
- (1) The employee's SCD, plus
 - (2) All civilian or uniformed service that is only creditable for retention purposes, plus
 - (3) Additional credit for the three most recent annual performance ratings of record received during the 4-year

period before issuance of specific notices reduction in force notices, or before the agency's optional date for freezing ratings. (5 CFR 351.503(c)(2))

E

- Paragraph **3-E-7-7** covers additional retention service credit based on employees' performance ratings of record.
- The agency counts creditable civilian or uniformed service on the same basis in calculating the RIF-SCD (i.e., the employee has no additional benefit as the result of the agency crediting the service as civilian or Armed Forces service).
- **Explanation: Differences Between SCD-RIF and other SCD's.** In most cases, the employee's SCD-RIF and other SCD's (e.g., for annual leave accrual or retirement) will be the same because the service is creditable for all purposes.

The SCD-RIF and other SCD dates will differ when:

- (1) The employee's SCD-RIF includes active service in the Armed Forces, even though the employee's separation from the Armed Forces was not an honorable termination.
 - An employee's active duty service in the Armed Forces is creditable for reduction in force regardless of the character of the discharge. (5 U.S.C. 3502(a)(A))
- (2) The employee retired from a uniformed service.
 - The agency calculates the amount of retention service credit after considering the individual's rank when retired, the basis for the retirement, and the years of active Armed Forces service included in the retirement pay. (5 U.S.C. 3502(a)(B); 5 CFR 351.503)
- (3) The employee's work history includes service in positions that do not meet the definition of "Employee" in 5 U.S.C. 2105, and the service is not otherwise specifically authorized by statute as creditable for purposes of retention under 5 CFR 351.503(a).

- **Explanation: The SCD-RIF May Not Include Service Credit That Exceeds the Actual Calendar Time of the Service** (i.e., 5 CFR 351.503 does not authorize dual retention credit for the same period of time). (5 CFR 351.503(c)(2))
 - **Example 1 (3-E-2-1-(r)):** An employee served four months on a part-time work schedule with one agency. During two of those months, the employee also served on a separate part-time work schedule with another agency. The employee receives credit only for the four months of service. The agency has no authority under 5 CFR 351.503 to add the two periods of service together and provide dual retention credit as if each period of service was separate.
 - **Example 2 (3-E-2-1-(r)):** An employee performs active Armed Forces service during civilian employment (e.g., an Armed Forces Reservist is called to active duty for training). During that absence, the agency carries the employee on carried on annual leave, leave without pay or military leave with the agency. The employee receives continuous credit under the civilian appointment. The agency has no authority to provide dual retention service credit for the simultaneous period of service performed in the Armed Forces.
 - For additional guidance, see **Seltzer v. OPM**, 833 F.2d 975 (Fed. Cir. 1987))
 - **Example 3 (3-E-2-1-(r)):** An employee on an intermittent work schedule works 100 hours in a two-week calendar period. The employee receives retention service credit for 80 hours (i.e., two weeks). An employee who works more than 2087 hours in a calendar year (or 260 days if before 03/01/86) still receives only 1 year of retention service credit.
- (s) **“Retired Member of the Uniformed Service”** means a member or former member of a uniformed service who is entitled, under statute, to retired, retirement, or retainer pay based upon this uniformed service. (5 U.S.C. 3501(a)(2); 5 CFR 351.503(b))
- **Explanation-**The definition includes individuals on an Armed Forces **“Temporary Disability Retired List (TDRL),”** and individuals who transferred to the Navy and

Marine Corps' Fleet Reserve.

- (t) **“Uniformed Services”** means the:
- (1) Armed Forces;
 - (2) Commissioned corps of the Public Health Service; and
 - (3) Commissioned corps of the National Oceanic and Atmospheric Administration (formerly the Environmental Science Services Administration).
-

Section 3, Reduction in Force Credit for Civilian Service

Introduction This section contains detailed guidance on which types of civilian service an agency may credit for retention under OPM's reduction in force regulations. Subparagraphs 3-(a) and 3-(b) in Section 14 of Module 3, Unit A (3-A-14-3-(a) and -(b)), cover basic guidance on crediting civilian service for retention. Subparagraphs 3-(a) and 3-(b) in Unit B in Section 14 of Module 3 (3-A-14-3-(a) and -(b)) contains additional guidance on crediting civilian service for retention.

Contents This section contains the following topics:

Topic	See Paragraph
Creditable Civilian Service	3-E-3-1
Amount of Retention Civilian Service Credit-Different Work Schedules.	3-E-3-2
Amount of Retention Civilian Service Credit-Leave Without Pay (LWOP)	3-E-3-3
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Additional Information When appropriate, Restructuring Information Handbook Module 3, Unit E (Reduction in Force Service Credit) has additional information on material in Unit 3-E.

To find additional information on these key paragraphs in Unit 3-E,	In Module 3, see paragraph:
3-E-3-1	3-A-14-3-(a)
3-E-3-1	3-B-14-3-(a)
3-E-3-2	3-E-3-3
3-E-3-2-(d)-(2)	3-E-3-5
3-E-3-2-(d)-(3)	3-E-3-5
3-E-3-2-(d)-(4)	3-E-3-5
3-E-3-4(c)-(1)	3-E-3-3

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A This symbol highlights where you can find additional guidance in Unit 3-A.

B This symbol highlights where you can find additional guidance in Unit 3-B.

E This symbol highlights where you can find additional guidance in Unit 3-E on a reduction in force service credit topic.

① This symbol guides you toward more general references on the subject in Module 3 or in the other Modules.

Section 3, Reduction in Force Credit for Civilian Service

3-E-3-1 **Creditable Civilian Service**

A [Guidance for subparagraph **3-A-14-3-(a)**.]

Competing employees receive retention service credit for all civilian service performed as a Federal employee that meets the definition of "**Employee**" found in paragraph 5 U.S.C. 2105(a). (5 U.S.C. 3502(a)(3); 5 CFR 351.503(a))

- The broad definition of "Employee" found in paragraph 5 U.S.C. 2105(a) provides retention service credit under (5 U.S.C. 3502(a)(3)) for all service that meets this statutory definition.
- Civilian retention service credit authorized by 5 U.S.C. 2105(a) includes (but is not limited to) service as: permanent, time-limited, or temporary; competitive, excepted or Senior Executive Service; full-time, part-time, intermittent, or seasonal; executive branch, legislative branch, and judicial branch employment.
- **Explanation**-The U.S. Court of Appeals for the Federal Circuit, in **Horner v. Acosta**, 803 F.2d 687 (Fed. Cir. 1986), stated:

". . . the definition of employee prescribed in § 2105(a), unless **otherwise clearly indicated**, applies for all purposes of Title 5 . . ."
" (Emphasis added.)

B [Paragraph **3-B-14-3** contains additional guidance on the **Horner** decision.]

The U.S. Merit Systems Protection Board cited **Horner** when the Board noted in footnote (3) of **Bridgewood v. Department of Veterans Affairs**, 75 M.S.P.R 480 (1997):

"Unless otherwise clearly indicated, the definition of employee prescribed in (5 U.S.C.) 2105(a) applies for all purposes of Title 5."

In providing a competing employee with retention service credit, if the employee's civilian service meets the definition of "employee" for purposes of 5 U.S.C. § 2105(a), the agency credits the service under 5 CFR 351.503(a) for purposes of reduction in force competition.

E

- Section **3-E-4** provides detailed guidance on civilian service that is creditable for retention on the basis of a specific statute.
-

3-E-3-2

Amount of Civilian Retention Service Credit-Different Work Schedules.

An employee's work schedule on an appointment may affect the amount of civilian service credited under 5 CFR 351.503(a) for retention.

- (a) **Full-time--All Civilian Service.** The agency credits civilian service from the date of the employee's appointment into the civilian service through the date of the employee's separation from the appointment. (5 CFR 351.503(a))

- The agency deducts any excess leave without pay, or time off the rolls, exceeding 3 calendar days.

E

- See paragraph **3-E-3-3** for additional guidance on deducting retention service credit because of excess leave or time off the agency's rolls.

- (b) **Full-time Civilian Service--Intervening Uniformed Service.** If the employee enters active duty uniformed service while holding a civilian position, the agency credits civilian service from the date of the employee's appointment into the civilian service through the date of the employee's restoration from the uniformed service as continuous civilian service. (5 CFR 351.503(a))

- (c) **Part-Time Civilian Service.** Under 5 CFR 351.503(a), the agency credits part-time civilian service on the same basis that the agency credits full-time civilian service in subparagraphs **3-E-3-2-(a)** and **-(b)** above.

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- A part-time work schedule is a regularly scheduled tour of duty (for example, Monday through Thursday 8:00 a.m. to 4:00 p.m.)
- (d) **Intermittent Civilian Service.** Under 5 CFR 351.503(a), the agency credits intermittent civilian service only for the days or hours the employee was actually in a work status.
- An intermittent work schedule does not have a regularly scheduled tour of duty; instead, the employee works on an "as needed" basis. (5 CFR 316.403(a))
 - In OPM's prior Federal Personnel Manual guidance, "Intermittent" work schedule at one time was titled "When Actually Employed" or "WAE" service.
- (1) The agency documents an employee's actual work hours or days worked on an intermittent appointment in the "Remarks" section of a Notification of Personnel Action, SF-50, when:
- (i) The agency converts the employee's work schedule from intermittent; or
 - (ii) The employee separates from the position.
- (2) If the agency is unable to document the intermittent service, the agency has no authority to provide retention service credit under 5 CFR 351.503(a).
- Instead, the agency should continue to authenticate the service (for example, using Social Security Administration records) to develop the potential retention service credit for the intermittent service).
- (3) Before March 1, 1986, the Federal work year was based on 260 days, or 2080 work hours.
- E**
- See Section **3-E-3-5** to convert days worked in as an intermittent before March 1, 1986 to calendar time for purposes of retention service credit.
 - If the employee's Official Personnel Folder documents

only the hours that the employee worked as intermittent service, the agency divides the hours by 8 to determine the number of workdays, rounding up to the next day for any hours over 8.

- (4) Public Law 99-272 changed the basis of the Federal work-year from 2080 hours to 2087 hours effective March 1, 1986.

E

- See Section **3-E-3-5** to convert hours worked as an intermittent to calendar time for purposes of retention service credit.
- (e) **Seasonal Civilian Service.** "Seasonal" employees work a recurring schedule of at least 6 months but less than 12 months each year. (5 CFR 340.401)
- (1) Seasonal employees are in a work/pay status during certain periods of the year, and are in a nonwork nonpay status during the rest of the year. (5 CFR 340.401)
- (2) In computing retention service credit under 5 CFR 351.503(a), the agency computes seasonal nonwork nonpay status time on the same basis as leave without pay. (5 CFR 340.401)
- (3) Before October 1, 1980, an agency placed seasonal employees into nonpay and nonduty status at the end of a work period with natures of action such as "LWOP," "Furlough," "Placement in Nonpay Status," or "Placement in Nonwork Status."
- **Explanation-**For employees who received "Placement in Nonpay Status" actions, if that action (or the employment agreement under which the employee was hired) carried the remark "Service credit ... for leave accrual continues up to a maximum of six months per calendar year...", the nonpay service of these employees is treated as LWOP. If this, or a similar, remark does not appear on the SF 50 or in the employment agreement, then the service is treated as intermittent and the agency credits only the time in a pay status.
- (4) Beginning October 1, 1980, agencies document the movement of seasonal and on-call employees into

nonpay and nonduty status at the end of the work period with a "Placement in Nonpay Status" nature of action.

- **Explanation**-Actions effected before 1982 did not always identify "seasonal" employees. Actions effected since 1982 identified seasonal employee by work schedule codes and remarks.

Employees are identified by codes and remarks as "On Call" are also considered "seasonal" employees.

Because the conditions of seasonal employment vary from agency to agency, the documents an individual agency used to appoint the employee and to subsequently move the employee in or out of duty and pay status determine the amount of the employee's retention service credit.

3-E-3-3

Amount of Retention Civilian Service Credit-Leave Without Pay (LWOP)

Under 5 CFR 351.503(a), the agency credits periods of Leave Without Pay (LWOP) on the basis of a maximum 6 months retention service credit in a calendar year.

- The agency must subtract from the employee's Service Computation Date any LWOP that exceeds 6 months in a calendar year.
- **Example (3-E-3-3):** An employee had prior service as a cooperative education student, and during a 3-year period on the agency's rolls was in an LWOP status several times:

LWOP: September 1, 1996, through June 30, 1997.

Returned to Duty July 1, 1997.

LWOP: September 1, 1997, through June 30, 1998.

Returned to Duty July 1, 1998.

Computing the LWOP periods by calendar year, the agency finds that the employee's LWOP is:

CY 1996: September 1 - December 31 = 4 months

CY 1997: January 1 - June 30 = 6 months, and

September 1 - December 31 = 4 months

CY 1998: January 1 - June 30 = 6 months

- **Explanation**-The employee receives full retention service credit for CY 1996 and CY 1998 because the employee's total LWOP in each of those two calendar years was 6 months or less.

In CY 1997 the employee's total LWOP was 10 months, of which only 6 months is creditable. The agency subtracts the employee's 4 months noncreditable, or "excess" LWOP, in 1997 from the employee's total creditable service. For CY 1997, the employee receives only 8 months service credit computed on the basis of 12 months total credit on the agency's rolls minus 4 months excess LWOP.

3-E-3-4

Amount of Retention Civilian Service Credit- Substantially Continuous Service

- (a) **Breaks in Service of 3 Calendar Days or Less.** Under 5 CFR 351.503(a), the agency credits breaks in service of 3 calendar days or less as continuous service.
- **Example (3-E-3-4-(a)):** An employee separates from agency A on Friday and enters on duty with agency B on Monday. The time off Federal rolls is two days, Saturday and Sunday. The agency computes the employee's retention service credit as continuous service.
- (b) **Breaks in Service of More Than 3 Calendar Days.** Unless specifically authorized by statute, if an employee has more than a 3-day break in service, the agency has no authority under 5 CFR 351.503(a) to provide retention service credit for any of the time the employee is off Federal rolls.
- **Example (3-E-3-4-(b)):** An employee separates from agency A on a Friday, has a week off the Federal rolls between appointments, then is appointed in agency B the following Monday. The actual

time off Federal rolls, 9 days, is a break in service. The agency has no authority to provide retention service credit for any of this time, including the first 3 days after the employee separated from the agency.

- (c) **Injury compensation.** The agency provides retention service credit under 5 CFR 351.503(a) for the entire period an employee receives benefits from the Department of Labor's Office of Workers' Compensation Programs (OWCP) for an on-the-job injury.

- (1) **Situation One—The employee does not separate from the agency.** Under 5 CFR 351.503(a), the agency provides retention service credit for the entire period an employee who does not separate from the agency receives benefits from the Department of Labor's Office of Workers' Compensation Programs (OWCP) for an on-the-job injury. (5 U.S.C. 8151(a); 5 CFR 353.107)

E

- The usual retention service credit deductions for excess LWOP during a Calendar Year covered in **3-E-3-3** do not apply for the period the employee receives OWCP benefits.

- (2) **Situation Two—The employee separates from the Agency.** An employee who separates from the agency because of on-the-job injury and receives benefits from OWCP, when reemployed receives retention service credit for the entire period that the employee received OWCP compensation. (5 U.S.C. 8151(a) and 5 CFR 353.107)

- **Explanation**-The Labor-OWCP office sends the employee a notice when it terminates an employee's injury compensation benefits. The employee must give the agency the OWCP statement documenting the exact date that OWCP terminated benefits. The agency then calculates the amount of retention service credit accrued during the period of the employee's separation.

- **Example (3-E-4-(c)):** In this example, an employee-

- (1) Separated because of on-the-job injury on May 6, 1993;

- (2) Received OWCP compensation from May 7, 1993, through March 30, 1994; and
- (3) Is reemployed by the agency on April 20, 1994.

The agency calculates retention service credit for the period beginning with the employee's separation date on May 7, 1993, through the date that OWCP terminated the employee's benefits on March 30, 1994.

The employee does not receive retention service credit from March 31, 1994, through April 19, 1994, because the individual was neither a Federal employee, nor receiving OWCP benefits.

- (d) **Restoration or Return to Duty From the Armed Forces.** The agency provides retention service credit under 5 CFR 351.503(a) for the entire period beginning with the date an employee separates from civilian service to enter the Armed Forces through the date the individual separates from the Armed Forces and is restored (or reemployed) by the agency under authority of subpart 5 CFR, Part 353-B.
 - **Explanation**-The agency considers an employee restored or returned to duty under 5 CFR, Part 353 as though the employee never separated from civilian service.
 - For additional guidance, see **Seltzer v. Office of Personnel Management**, 833 F.2d 975 (Fed. Cir. 1987).

The agency must restore or return the employee to duty under subpart 5 CFR 353-B for the period of time in the Armed Forces to be creditable as substantially continuous civilian service.

If the employee resigns or is not reemployed/restored under 5 CFR, part 353, and subsequently returns to Federal service, the agency calculates the individual's civilian service and time in the Armed Forces (if documented on the appropriate separate document from the Armed Forces) as separate periods of retention service credit. The period of time that the individual was not a civilian employee or on active duty in the Armed Forces is not creditable for retention under 5 CFR 351.503(b)(1)). (5 CFR 353.107)

3-E-3-5

Conversion Charts

The agency may use the “260 Day Conversion Chart” and the “2087 Hour Conversion Chart” on the following two pages in computing retention service credit for a competing employee.

- ①
 - A 260 Day conversion chart is also available in the “CSRS\FERS Handbook,” Section 50C1.1-1, Chart 3.

 - ①
 - A 2087 hour conversion chart is also available in the “CSRS\FERS Handbook,” Section 50C1.1-1, Chart 2.
-

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260 Day Conversion Chart-

Days	Under 1 month	1 month	2 months	3 months	4 months	5 months	6 months	7 months	8 months	9 months	10 months	11 months
0			43	65		108	130		173	195		238
1		22	44		87	109		152	174		217	239
2	1	23		66	88		131	153		196	218	
3	2	24	45	67	89	110	132	154	175	197	219	240
4	3		46	68		111	133		176	198		241
5		25	47		90	112		155	177		220	242
6	4	26		69	91		134	156		199	221	
7	5		48	70		113	135		178	200		243
8		27	49		92	114		157	179		222	244
9	6	28	50	71	93	115	136	158	180	201	223	245
10	7	29		72	94		137	159		202	224	
11	8		51	73		116	138		181	203		246
12		30	52		95	117		160	182		225	247
13	9	31		74	96		139	161		204	226	
14	10	32	53	75		118	140		183	205		248
15	11		54	76	97	119	141	162	184	206	227	249
16		33	55		98	120		163	185		228	250
17	12	34		77	99		142	164		207	229	
18	13		56	78		121	143		186	208		251
19		35	57		100	122		165	187		230	252
20	14	36		79	101		144	166		209	231	
21	15	37	58	80	102	123	145	167	188	210	232	253
22	16		59	81		124	146		189	211		254
23		38	60		103	125		168	190		233	255
24	17	39	61	82	104		147	169		212	234	
25	18			83		126	148		191	213		256
26		40	62		105	127		170	192		235	257
27	19	41	63	84	106	128	149	171	193	214	236	258
28	20	42		85	107		150	172		215	237	
29	21		64	86		129	151		194	216		259

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2087 Hour Conversion Chart-

DAYS	1 Day	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
0	0	174	348	522	696	870	1044	1217	1391	1565	1739	1913
1	6	180	354	528	701	875	1049	1223	1397	1571	1745	1919
2	12	186	359	533	707	881	1055	1229	1403	1577	1751	1925
3	17	191	365	539	713	887	1061	1235	1409	1583	1757	1930
4	23	197	371	545	719	893	1067	1241	1415	1588	1762	1936
5	29	203	377	551	725	899	1072	1246	1420	1594	1768	1942
6	35	209	383	557	730	904	1078	1252	1426	1600	1774	1948
7	41	214	388	562	736	910	1084	1258	1432	1606	1780	1954
8	46	220	394	568	742	916	1090	1264	1438	1612	1786	1959
9	52	226	400	574	748	922	1096	1270	1444	1617	1791	1965
10	58	232	406	580	754	928	1101	1275	1449	1623	1797	1971
11	64	238	412	586	759	933	1107	1281	1455	1629	1803	1977
12	70	243	417	591	765	939	1113	1287	1461	1635	1809	1983
13	75	249	423	597	771	945	1119	1293	1467	1641	1815	1988
14	81	255	429	603	777	951	1125	1299	1472	1646	1820	1994
15	87	261	435	609	783	957	1130	1304	1478	1652	1826	2000
16	93	267	441	615	788	962	1136	1310	1484	1658	1832	2006
17	99	272	446	620	794	968	1142	1316	1490	1664	1838	2012
18	104	278	452	626	800	974	1148	1322	1496	1670	1844	2017
19	110	284	458	632	806	980	1154	1328	1501	1675	1849	2023
20	116	290	464	638	812	986	1159	1333	1507	1681	1855	2029
21	122	296	470	643	817	991	1165	1339	1513	1687	1861	2035
22	128	301	475	649	823	997	1171	1345	1519	1693	1867	2041
23	133	307	481	655	829	1003	1177	1351	1525	1699	1873	2046
24	139	313	487	661	835	1009	1183	1357	1530	1704	1878	2052
25	146	319	493	667	841	1015	1188	1362	1536	1710	1884	2058
26	151	325	499	672	846	1020	1194	1368	1542	1716	1890	2064
27	157	330	504	678	852	1026	1200	1374	1548	1722	1896	2070
28	162	336	510	684	858	1032	1206	1380	1554	1728	1901	2075
29	168	342	516	690	864	1038	1212	1386	1559	1733	1907	2081

Section 4, Reduction in Force Credit for Civilian Service Authorized by Statute

Introduction This section contains additional guidance on civilian service that is statutorily authorized as retention service credit. This section also clarifies the status of certain other service that is actually creditable for retention, or which is excluded by statute as retention service credit even though prior service was covered by title 5, U.S.C.

Contents This section contains the following topics:

Topic	See Paragraph
Agricultural Stabilization and Conservation Service	3-E-4-1
Appalachian Regional Commission	3-E-4-2
District of Columbia Government	3-E-4-3
Saint Elizabeths Hospital	3-E-4-4
Nonappropriated Fund (NAF) Employees	3-E-4-5
Peace Corps Volunteers	3-E-4-6
Postal Service	3-E-4-7
Volunteers In Service To America (VISTA)	3-E-4-8

Additional Information When appropriate, Restructuring Information Handbook Module 3, Unit E (Reduction in Force Service Credit) has additional information on material in Unit 3-E.

E This symbol highlights where you can find additional guidance in Unit 3-E on a reduction in force service credit topic.

i This symbol guides you toward more general references on the subject in Module 3 or in the other Modules.

Section 4, Reduction in Force Credit for Civilian Service Authorized by Statute

3-E-4-1 Agricultural Stabilization and Conservation Service

Creditable civilian service for retention includes an employee of a:

- (a) County committee established under authority of section 8(b) of the Soil Conservation and Allotment Act; (5 U.S.C. 3502(a)(C));
or
 - Section 8(b) of the Soil Conservation and Allotment Act is codified at 16 U.S.C. 590h(b).
- (b) Committee or association of producers described in section 10(b) of the Agricultural Adjustment Act. (5 U.S.C. 3502(a)(C))
 - Section 10(b) of the Agricultural Adjustment Act is codified at 7 U.S.C. 610(b).

E

- **Explanation**-Before February 27, 1986, only U.S. Department of Agriculture employees were entitled to reduction in force service credit based upon prior service as employees of the committees or associations in subparagraphs **3-E-4-(1)-(a)** or **-(b)**.

Public Law 90-368 (approved June 29, 1968) amended 5 U.S.C. 3502(a)(C) to provide Agriculture employees with retention service credit for this employment.

The Federal Employees Benefits Improvement Act of 1986 (Public Law 99-251, section 306, approved February 27, 1986), further amended 5 U.S.C. 3502(a)(C) to delete the requirement that only Agriculture employees were entitled to retention service credit based upon this employment.

3-E-4-2 Appalachian Regional Commission

Creditable civilian service for retention includes an employee of the Appalachian Regional Commission as the "Federal cochairman, his staff and his alternate," as provided by section 106 of Public Law 89-4,

the Appalachian Regional Development Act of 1965 (March 9, 1965).
(40 U.S.C. Appendix)

3-E-4-3

District of Columbia Government

Creditable civilian service for retention includes employment before September 26, 1980, for an employee appointed before January 1, 1980, to certain District of Columbia Government organizations, including:

- (a) Office of the Recorder of Deeds (except the Recorder);
- (b) Department of Corrections (except positions in the Office of the Director;
- (c) Unemployment Compensation Board;
- (d) Office of Emergency Preparedness in the Executive Office of the Mayor;
- (e) Department of Manpower;
- (f) Department of Housing and Community Development (except for the Building and Zoning Regulation Administration); and
- (g) Department of Human Resources in the following administrations:
 - (1) Health Services;
 - (2) Vocational Rehabilitation;
 - (3) Veterans Affairs;
 - (4) Hospitals and Medical Care; and
 - (5) Narcotics Treatment

- E**
- **Explanation-District of Columbia Service Performed Before September 26, 1980.** District of Columbia service performed before January 1, 1980, was specifically covered by title 5, United States Code. District of Columbia service performed before

September 26, 1980, in organizations covered in subparagraphs **3-E-4-1-(a)-(g)** above is creditable as civilian service under paragraph 5 CFR 351.503(a) of OPM's reduction in force regulations for an employee appointed prior to January 1, 1980.

Effective January 1, 1980, the District of Columbia became a municipal government. (D.C. Law 2-139) However, District of Columbia employees appointed to Title 5 organizations before January 1, 1980, were not completely removed from title 5 U.S.C. until September 26, 1980. (D.C. Law 3-109)

- **Explanation-District of Columbia Service Based on Appointment on or After January 1, 1980.**

District of Columbia Government service of employees appointed to the District of Columbia Government on or after January 1, 1980, is not creditable for retention under paragraph 5 CFR 351.503(a) of OPM's reduction in force regulations .

Although the Federal Employees' Retirement System Act of 1986, P.L. 99-335 (June 6, 1986), made District of Columbia Government service creditable for limited purposes of title 5, U.S.C., the statute did not authorize this service creditable as retention credit under OPM's reduction in force regulations.

- **Explanation-D.C. Control Board.** The District of Columbia Financial Responsibility and Management Assistance Authority (also known as the D.C. Control Board) is not creditable for retention under paragraph 5 CFR 351.503(a) of OPM's reduction in force regulations.

Congress established the Control Board under Section 101 of Public Law 104-8 (effective April 17, 1995) as "an entity within the government of the District of Columbia, and is not established as a department, agency, establishment, or instrumentality of the United States Government."

3-E-4-4

Saint Elizabeths Hospital

Saint Elizabeths Hospital service is creditable through September 30, 1987.

The Hospital became part of the District Government on October 1, 1987, under the Saint Elizabeths Hospital and District of Columbia Mental Health Services Act, Public Law 98-621 (November 8, 1984).

3-E-4-5

Nonappropriated Fund (NAF) Employees

Creditable civilian service for retention includes employment by a Nonappropriated Fund (NAF) organization only when a Department of Defense or Coast Guard NAF instrumentality appoints one of its employees to a competitive service position in Defense or Coast Guard, respectively, on or after January 1, 1966, without a break in service of more than 3 days. (5 U.S.C. § 3502 (a)(C))

- **Explanation-**“The Portability of Benefits for Nonappropriated Fund Employees Act of 1990,” section 7202(a) of Public Law 101-508 (approved November 11, 1990), amended 5 U.S.C. 3502(a)(C) to authorize reduction in force service credit for NAF employees receiving competitive service appointments on or after January 1, 1987.

Section 1043(d) of the “National Defense Authorization Act for Fiscal Year 1996” (Public Law 104-106, approved February 10, 1996) changed the "on or after" date from January 1, 1987, to January 1, 1966.

This Act did not specifically change the date for annual leave service credit. However, this NAF provision may result in different service computation dates for leave and for reduction in force.

E

- See the NAF Instrumentalities definition in paragraph **3-E-2-1-(o)** for additional guidance on individual NAF organizations.

Once the NAF service is creditable for retention in Defense or in the Coast Guard, the service remains creditable even if the employee transfers to a different agency.

3-E-4-6

Peace Corps Volunteers

Creditable civilian service for retention includes service as a Peace Corps volunteer. (22 U.S.C. § 2504(f))

- (a) Only Peace Corps volunteer service is creditable under paragraph 5 CFR 351.503(a) of OPM's reduction in force regulations.
- (b) The training received before the Peace Corps volunteer service period begins is not creditable for retention.
- (c) Peace Corps volunteers are not considered Federal employees, except as provided in chapter 34 of Title 22 U.S.C.
- (d) The agency may request an official verification of Peace Corps volunteer service from:

Volunteer Staff and Payroll Services
The Peace Corps
Washington, D.C., 20526

3-E-4-7

Postal Service

Creditable civilian service for retention includes all service as an officer or employee of the U.S. Postal Service. (39 U.S.C. § 1001)

3-E-4-8

Volunteers In Service To America (VISTA)

Creditable civilian service for retention includes certain service under the Volunteers In Service To America (VISTA) program.

- **Explanation**-The statute authorizing service credit for VISTA volunteers states:

"Any period of service of a volunteer enrolled in a program for a period of service of at least one year under part A of subchapter I of this chapter (VISTA), and any period of full-time service of a volunteer enrolled in a program for a period of service of at least one year under part B (University Year for VISTA) or C (Special Volunteer Programs established by the ACTION Director) of this chapter, shall be credited in connection with subsequent employment in the same manner as a like period of civilian employment by the U.S. Government." (42 U.S.C. § 5505)

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The standard for crediting VISTA service is that the "enrollment" must be for at least one year. The volunteer was not required to complete the enrollment.

Although VISTA volunteers are not considered Federal employees, VISTA volunteer service was made creditable for anyone appointed by the U.S. Government on or after December 30, 1969 (the Economic Opportunity Amendments of 1969, P.L. 91-177, section 112 (b)(2)).

VISTA was established by the Economic Opportunity Act of 1964, P.L. 88-456, August 20, 1964, section 602. At that time, the volunteer service was not creditable for retention.

Between December 30, 1969, and September 30, 1973, the volunteer was not required to be enrolled for at least one year.

Effective September 19, 1972, full-time volunteer service while in receipt of a living allowance or a stipend under Title VIII of the Economic Opportunity Act of 1964, as amended, was creditable. (Economic Opportunity Amendments of 1972, P.L. 92-424, § 3(d)(3), September 19, 1972)

Section 5, Reduction in Force Credit for Uniformed Service

Introduction This section contains detailed guidance on which types of uniformed service an agency may credit for retention under OPM's reduction in force regulations. Subparagraph 3-(c) in Section 14 of Module 3, Unit A (3-A-14-3-(c)), covers basic guidance on crediting uniformed service for retention. Subparagraph 3-(c) in Section 14 of Module 3, Unit B (3-B-14-3-(c)) contains additional guidance on crediting uniformed service for retention.

Contents This section contains the following topics:

Topic	See Paragraph
Armed Forces Active Duty	3-E-5-1
Documents Used to Credit Armed Forces Active Duty	3-E-5-2
No Credit for Armed Forces Lost Time	3-E-5-3
Dual Credit is Prohibited	3-E-5-4
No Additional Service Credit Based Upon Derivative Preference	3-E-5-5
Army and Air Force National Guard Service	3-E-5-6
Army National Guard of the United States (ARNGUS) and Air Force National Guard of the United States (ANGUS)	3-E-5-7
Verifying Active Armed Forces Service	3-E-5-8
Early Retirement From the Armed Forces Under P.L. 102-484	3-E-5-9
Public Health Service Commissioned Corps	3-E-5-10
National Oceanic and Atmospheric Administration Commissioned Officer Corps	3-E-5-11

Additional Information When appropriate, Restructuring Information Handbook Module 3, Unit E (Reduction in Force Service Credit) has additional information on material in Unit 3-E.

Continued on next page

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To find additional information on these key paragraphs in Unit 3-E,	In Module 3, see paragraph:
3-E-5-2-(b)	3-E-6-2-(c)
3-E-5-5	3-A-13-7
3-E-5-6	3-E-2-1-(c)
3-E-5-6	3-E-2-1-(f)
3-E-5-7	3-E-2-1-(d)
3-E-5-7	3-E-2-1-(g)

E This symbol highlights where you can find additional guidance in Unit 3-E on a reduction in force service credit topic.

i This symbol guides you toward more general references on the subject in Module 3 or in the other Modules.

Section 5, Reduction in Force Credit for Uniformed Service

3-E-5-1 Armed Forces Active Duty

Competing employees receive retention service credit for all active duty performed in the Armed Forces, except as that service credit is limited for retired members of the uniformed services by the Dual Compensation Act of 1964. (5 U.S.C. 3501(a)(A))

- (a) The pertinent Dual Compensation Act provisions were part of Public Law 88-448 (approved August 19, 1964), as now codified in 5 U.S.C. 3501(a), 5 U.S.C. 3501(a)(A), and 5 U.S.C. 3501(a)(B).

- E**
- See Section **3-E-6** for additional guidance concerning the statutory limitations on retention service credit for Armed Forces active duty if a former member of a uniformed services is entitled to retired, retirement, or retainer pay on account of that service. (5 U.S.C. 3501(a)(2); 5 CFR 351.503(b))
 - (b) An employee is entitled to retention service credit without regard to the type of discharge from the Armed Forces (e.g., Honorable, Under Honorable Conditions (General), or Dishonorable). (5 U.S.C. 3502(a)(A))
 - This is an example of a potential difference between an employee's SCD-RIF and SCD-Leave dates.

3-E-5-2 Documents Used to Credit Armed Forces Active Duty

E Except as provided in subparagraphs (a) through (c) below, an agency provides retention service credit for active duty in the Armed Forces solely on the basis of the active duty service block (and total prior active service if this service is not documented by a separate DD 214) on the employee's last "Certificate of Release or Discharge from Active Duty (DD 214)."

- (a) If the agency finds an apparent error in the active service block and/or total prior active service block on the employee's DD 214, the agency may not provide retention credit for the period

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of service at issue until the agency verifies the actual amount of Armed Forces service that is creditable.

- (b) When computing Armed Forces campaign or expeditionary service for a retired member of a uniformed service, the National Personnel Records Center (Military Personnel Records), will verify claimed service dates, or provide the correct dates if the dates claimed are incorrect, on the SF 813, "Verification of a Military Retiree's Service in Nonwartime Campaigns or Expeditions."
- The National Personnel Records Center (Military Personnel Records) has records for all branches of the Armed Forces.
- (c) The agency computes the employee's Armed Forces credit starting with the employee's "From" (i.e., beginning) date(s) through the employee's "To" (i.e., ending) date(s) when:
- (1) The agency uses the SF 813 information to compute a competing employee's Armed Forces retention service computation date (SCD-RIF);
 - (2) The DD 214 is not available; or
 - (3) The employee has separate documentation issued by an Armed Forces component that specifies the dates the employee entered on, and separated from, one or more periods of active duty.
- The Military Records Center or Commander, U.S. Army Reserve, as appropriate, certified the "From" and "To" dates on the SF 813.
 - The agency then computes the employee's retention service credit for Armed Forces service using the same manner that the agency uses to compute the employee's retention service credit for civilian service.
- E**
- See paragraph **3-E-6-2-(c)** for additional guidance on Form SF 813.
-

3-E-5-3 **No Credit for Armed Forces Lost Time**

Armed Forces "Lost Time" is not creditable for any purpose, including retention service credit.

- **Explanation**-Until 1950, lost time was recorded on the Armed Forces discharge certificate, generally as "(x) days lost under Articles of War 107." From 1950-1979 it was recorded on Department of Defense (DD) Form 214, "Certificate of Release or Discharge From Active Duty," under "time lost preceding 2 years," generally as "(x) days AWOL."

Since 1979, "Lost Time" is subtracted from the period of service listed on the DD 214, and the form shows only "good time."

3-E-5-4 **Dual Credit is Prohibited**

Under no circumstances may an agency provide dual retention service credit for concurrent civilian and uniformed service. (5 CFR 351.503(b)(3))

- For additional guidance, see **Seltzer v. OPM**, 833 F.2d 975 (1987, Fed. Cir.)
- **Example 1 (3-E-5-4)**: An employee who goes on military leave for two weeks to perform annual active duty for training receives retention service credit for those two weeks as civilian service. The agency may not provide the employee with additional retention service credit based upon the employee's concurrent service on active duty in the Armed Forces.
- **Example 2 (3-E-5-4)**: An employee appointed to a civil service position while on terminal leave from the Armed Forces, as authorized by 5 U.S.C. 5534a, receives retention service credit for Armed Forces service up to the date before the effective date of the individual's civilian appointment. The agency has no authority to provide the employee with additional retention service credit after entry into the civilian service based upon the employee's terminal leave status from the Armed Forces.

Terminal leave does not provide a retired member of a uniformed service with any additional retention service credit other than the

① credit covered in Section **3-D-E-6**.

3-E-5-5 **No Additional Service Credit Based Upon Derivative Preference**

An employee eligible for retention preference based upon “**Derivative Preference**” does not receive additional reduction in force service credit based upon the veteran’s Armed Forces service.

A [See paragraph **3-A-13-7** for additional guidance on eligibility for “**Derivative Preference**” in reduction in force competition.]

3-E-5-6 **Army and Air Force National Guard Service**

National Guard service performed as members of a State militia under title 32, U.S. Code, is not creditable under 5 CFR 351.503(b)(1) of OPM’s reduction in force regulations as active service in the Armed Forces.

- **Explanation**-Army and Air Force National Guard service is creditable for retention only when a title 32, U.S.C., Guard member is ordered to active Federal duty by the President, or under the authority of another provision in title 10, U.S. C. This special order places the Guard member in the active military service under the U.S. Air Force or U.S. Army, as applicable.

E • See paragraph **3-E-2-1-(c)** for the definition of “Air National Guard.

E • See paragraph **3-E-2-1-(f)** for the definition of “Army National Guard.

- Army and Air National Guard service performed by a retiree from a uniformed service is subject to the same retention service credit limitations as other service in the Armed Forces.

E • See Section **3-E-6** for additional guidance concerning the statutory limitations on retention service credit for Armed Forces active duty if a former member of a uniformed services is entitled to retired, retirement, or retainer pay on account of that service. (5 U.S.C. 3501(a)(2); 5 CFR

351.503(b))

3-E-5-7 **Army National Guard of the United States (ARNGUS) and Air Force National Guard of the United States (ANGUS)**

ARNGUS and ANGUS members "are not in active Federal service except when ordered thereto under law." (10 U.S.C. 12401)

- **Explanation**-Members ordered to active duty and active duty for training under title 10, U.S. C., receive retention service credit for that period of Armed Forces service. (10 U.S.C. 12403)

- E** • See paragraph **3-E-2-1-(d)** for the definition of "Air National Guard of the United States (ANGUS).
 - E** • See paragraph **3-E-2-1-(g)** for the definition of "Army National Guard of the United States (ARNGUS).
 - ARNGUS and ANGUS service performed by a retiree from a uniformed service is subject to the same retention service credit limitations as other service in the Armed Forces.
 - E** • See Section **3-E-6** for additional guidance concerning the statutory limitations on retention service credit for Armed Forces active duty if a former member of a uniformed services is entitled to retired, retirement, or retainer pay on account of that service. (5 U.S.C. 3501(a)(2); 5 CFR 351.503(b))
-

3-E-5-8 **Verifying Active Armed Forces Service**

Only the uniformed services' records custodians can verify active service in the Armed Forces.

- (a) An agency may verify an employee's active duty for more than 90 days by referring to the applicable "Certificate of Release or Discharge from Active Duty" (DD 214), or official orders issued by the uniformed service.
- (b) An agency may verify an employee's active duty in the National

Guard by contacting the appropriate State's Adjutant General office.

- A listing of each State's Adjutant General office is found at www.ngb.dtic.mil/state/adjutants.shtml.
- (c) An agency may verify a Reserve member's active duty for training by referring to the Order ordering the individual to active duty.
-

3-E-5-9

Early Retirement From the Armed Forces Under P.L. 102-484

A competing employee receives retention service credit for all active duty the individual performed in the Armed Forces if the individual retired with at least 15 years but less than 20 years service, under Public Law 102-484, as amended; and

- (a) Is a "Disabled Veteran" as defined by 5 U.S.C. 2108(2); or
- (b) If not a "Disabled Veteran" as defined by 5 U.S.C. 2108(2), retired below the rank of major (or equivalent).
- (c) A competing employee who retired under Public Law 102-484 at the rank of major or higher (or equivalent) and is not a "Disabled Veteran" as defined by 5 U.S.C. 2108(2), receives retention service credit only for the length of time in active service in the Armed Forces:
- (1) During a war; or
 - (2) In a campaign or expedition for which a campaign badge is authorized.
- **Explanation-Section 4403(i) of Public Law 102-484.** The "National Defense Authorization Act for FY 1993" (approved October 23, 1992), authorized early retirements for members of the Armed Forces who retired with a minimum of 15 years, but less than 20 years, active duty.

Public Law 102-484 was the "National Defense Authorization Act for FY 1993", approved October 23, 1992. Section 4403(i) of the statute authorized this special early Armed Force retirement

beginning October 23, 1992. Subsequent amendments extended the ending date of this option through December 31, 2001, the end of the planned Active Force Drawdown Period. (The most recent amendment to the Active Force Drawdown Period was Public Law 106-398, approved October 30, 2000.)

Section 4403(e) of Public Law 102-484 reduced the Armed Forces retirement pay for a member who retired under this provision by a percentage for each month of active service less than 240 months, or 20 years.

However, section 4464 of Public Law 102-484 provided for a military member who retired under section 4403, or any other provision of title 10, U.S.C., that authorizes retirement with less than 20 years active uniformed service, to have the Armed Forces retired pay recomputed at age 62 if the member was employed by a public service or community service organization during a certain period.

An agency employee whose Armed Forces retired pay is recomputed under section 4464 may become subject to the Dual Compensation Act of 1964 for purposes of both retention preference, and retention service credit, if the recomputation results in the member's Armed Forces retired pay being based on 20 years active uniformed service.

If the Armed Forces retired pay is recomputed under section 4464, the agency then applies the Dual Compensation Act restrictions to calculate the employee's reduction in force service credit. (5 U.S.C 3502; 5 CFR 351.503(b))

Public Law 102-484, section 4464, is available as a Note under 10 U.S.C. 1143a.

- E**
- See Section **3-E-6** for additional guidance concerning the statutory limitations on retention service credit for Armed Forces active duty if a former member of a uniformed services is entitled to retired, retirement, or retainer pay on account of that service. (5 U.S.C. 3501(a)(2); 5 CFR 351.503(b))
 - **Explanation-Impact of the Dual Compensation Act of 1964 Upon Section 4403(i) of Public Law 102-484 in Calculating**

Reduction in Force Service Credit. A competing employee who retired under Public Law 102-484 at the rank of major or higher (or equivalent) and is not a “Disabled Veteran” as defined by 5 U.S.C. 2108(2), receives limited retention service credit for Armed Forces service only on the same basis as the Dual Compensation Act an employee provides for an employee who retired based upon 20 or more years active uniformed service.

Section 5 U.S.C. 2108(4) provides that:

“except for purposes of chapters 75 and 75 of this title, “preference eligible” does not include a retired member of the armed forces unless—

- (A) the individual is a disabled veteran; or
- (B) the individual retired below the rank of major or its equivalent.”

The Dual Compensation Act retention service credit provisions in 5 U.S.C. 3502(a)(B) provide that:

“In computing length of service, a competing employee—

- (B) who is a retired member of a uniformed service is entitled to credit for—
 - (i) the length of time in active service in the armed forces during a war, or in a campaign or expedition for which a campaign badge has been authorized; or
 - (ii) the total length of time in active service in the armed forces if he is included under section 3501(a)(3)(A), (B), or (C) of this title.”

Referencing back to the retention preference provisions of the Dual Compensation Act found in 5 U.S.C. 3501(a)(3), the statute provides that:

“(3) a PREFERENCE ELIGIBLE employee who is a retired member of a uniformed service is considered a preference eligible

employee only if—“

- E** Since (as noted above) section 5 U.S.C. 2108(4) provides that a nondisabled retired member of the armed forces who retired at or above the rank of major or higher (or equivalent) is not a preference eligible for purposes of the reduction in force provisions found in chapter 35 of title 5, U.S.C., or OPM’s implementing retention regulations. In this situation, the agency provides retention service credit for Armed Forces service only as covered in subparagraph **3-E-5-9-(c)** above.
-

3-E-5-10

Public Health Service Commissioned Corps

The Public Health Service (PHS) Commissioned Corps is the uniformed service of the Department of Health and Human Services.

- (a) An agency provides retention service credit for active duty as a member of the uniformed PHS Commissioned Corps. (5 CFR 351.503(b)(1))
- (b) The Dual Compensation Act of 1964 applies to an employee who is retired from the PHS uniformed service. (5 CFR 351.503(b)(2))

- E**
- Section **3-E-7** has additional guidance on calculating retention service credit for retired members of a uniformed service.
 - (c) A warrant officer who is appointed to the PHS is also considered a member of the uniformed PHS Commissioned Corps. (42 U.S.C. § 204)
 - (d) To request an active duty Statement of Service in the PHS Commissioned Corps, the agency should contact:

Public Health Service
Division of Commissioned Personnel
5600 Fishers Lane
Rockville, MD 20857

3-E-5-11 **National Oceanic and Atmospheric Administration Commissioned Officer Corps**

The National Oceanic and Atmospheric Administration (NOAA) Commissioned Officer Corps is the uniformed service of the Department of Commerce.

- (a) An agency provides retention service credit for active duty as a uniformed member of the NOAA Commissioned Officer Corps (formerly the Coast and Geodetic Survey and Environmental Science Services Administration). (5 CFR 351.503(b)(1))
- (b) The Dual Compensation Act of 1964 applies to an employee who is retired from the uniformed NOAA Commissioned Officer Corps. (5 CFR 351.503(b)(2))

- E**
 - Section **3-E-7** has additional guidance on calculating retention service credit for retired members of a uniformed service.
- (c) To obtain an active duty Report of Transfer or Discharge from the (NOAA) Commissioned Officer Corps, the agency should contact:

National Oceanic and Atmospheric Administration
Commissioned Personnel Center
1315 East West Highway, Room 12100
Silver Spring, MD 20910-3282

Section 6, Reduction in Force Credit for Retired Members of a Uniformed Service

Introduction This section contains detailed guidance on which types of uniformed service an agency may credit for retention under OPM's reduction in force regulations for a retired member of a uniformed service. Paragraph 5 of Section 14 in Module 3, Unit A (3-A-14-5), covers basic guidance on crediting uniformed service for retention. Paragraph 5 of Section 14 in Module 3, Unit B (3-B-14-5) contains additional guidance on crediting civilian service for retention.

Contents This section contains the following topics:

Topic	See Paragraph
General Rule for Armed Forces Retention Service Credit After Retirement From a Uniformed Service	3-E-6-1
Amount of Armed Forces Retention Service Credit With No Preference After Retirement Based on 20 or More Years of Uniformed Service	3-E-6-2
Amount of Armed Forces Retention Service Credit With Preference After Retirement Based on 20 or More Years of Uniformed Service	3-E-6-3
Amount of Armed Forces Retention Service Credit After Retirement Based on Less Than 20 Years of Uniformed Service	3-E-6-4
Temporary Disability Retirement List and the Dual Compensation Act	3-E-6-5
Amount of Armed Forces Retention Service Credit for Retirees of Uniformed Service in the Public Health Service and the National Oceanic Atmospheric Administration	3-E-6-6
Armed Forces Service Credit Chart for Retired Members of a Uniformed Service	3-E-6-7

Additional Information When appropriate, Restructuring Information Handbook Module 3, Unit E (Reduction in Force Service Credit) has additional information on material in Unit 3-E.

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To find additional information on these key paragraphs in Unit 3-E,	In Module 3, see paragraph:
3-E-6-1	3-A-13-8
3-E-6-1	3-A-14-5
3-E-6-1	3-E-6-7
3-E-6-1-(a)	3-A-13-8-(a)
3-E-6-1-(a)	3-B-13-8-(a)
3-E-6-2-(a)	3-B-14-5
3-E-6-2-(c)	3-E-5-2-(b)
3-E-6-4	3-A-13-4
3-E-6-6	3-E-5-10
3-E-6-6	3-E-5-11

A This symbol highlights where you can find additional guidance in Unit 3-A.

E This symbol highlights where you can find additional guidance in Unit 3-E on a reduction in force service credit topic.

① This symbol guides you toward more general references on the subject in Module 3 or in the other Modules.

Section 6, Reduction in Force Credit for Retired Members of a Uniformed Service

3-E-6-1

General Rule for Armed Forces Retention Service Credit After Retirement From a Uniformed Service

The Dual Compensation Act of 1964 limits the amount of Armed Forces retention service credit that a retired member of a uniformed service may credit under OPM's reduction in force regulations. (5 U.S.C. 3502(a)(B); 5 CFR 351.503(b)(2))

(a) First, the agency must determine whether the retired member of a uniformed service is considered a "Preference Eligible" for purposes of OPM's reduction in force regulations; (5 U.S.C. 3501(a); 5 CFR 351.501(d)), and

A [See paragraph **3-A-13-8** for basic guidance on determining when a retired member of a uniformed service is eligible for retention preference under OPM's reduction in force regulations.]

A [See paragraph **3-A-14-5** for basic guidance on providing retention credit for uniformed service when a retired member of a uniformed service is eligible for retention preference under OPM's reduction in force regulations.]

E

- See paragraph **3-E-6-7** for a table summarizing an agency's decisions in providing retention credit for Armed Forces service.

- **Explanation**-Subparagraphs **3-A-13-8-(a)** and **3-B-13-8-(a)** explain that under the Dual Compensation Act, an employee who is a retired member of the Armed Forces is eligible for veterans' preference for retention purposes if the **employee's retirement from the Armed Forces** (without regard to benefits from the Veterans Administration) is based on a disability that either:

(1) Resulted from injury or disease received in the line of duty as a direct result of armed conflict (5 U.S.C. 3501(a)(3)(A)(i)); 5 CFR § 351.501(d)(1)(ii)), or,

(2) Was caused by an instrumentality of war, and was incurred in the line of duty during a period of war as

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defined by sections 101 and 301 of title 38, United States Code. (5 U.S.C. 3501(a)(3)(A)(ii); 5 CFR 351.501(d)(1)(ii))

The employee who is a retiree from a uniformed service may not possess the documents needed by the agency to verify that the employee's Armed Forces retirement meets conditions (1) or (2) above. To request this documentation, the agency should complete Form SF-180, "Request Pertaining to Military Records," and send the SF-180 to:

National Personnel Records Center
(Military Personnel Records)
9700 Page Avenue
St. Louis, MO 63132-5100

Form SF-180 is available on the National Personnel Records Center's website at:

http://www.archives.gov/facilities/mo/st_louis/military_personnel_records.html.

- (b) Second, after the agency determines the competing employee's eligibility for retention preference, the agency must then verify the dates of the competing employee's service in the Armed Forces. 5 CFR 351.503(b)(1))

3-E-6-2

Amount of Armed Forces Retention Service Credit With No Preference After Retirement Based on 20 or More Years of Uniformed Service

If the retired member of a uniformed service is not eligible for veterans' preference under OPM's reduction in force regulations, the employee receives retention credit only for creditable active Armed Forces service:

- (a) During a war; (5 U.S.C. 3501(a)(B)(i); 5 CFR 351.503(b)(2)(i)),
or
- (b) Actually performed in a campaign or expedition for which a campaign badge has been authorized. (5 U.S.C. 3501(a)(B)(i); 5 CFR 351.503(b)(2)(i))

- **Explanation**-The Appendices in OPM's publication "Vet Guide" contains a list of "Campaigns" and "Expeditions." The Appendices also contain a list of Armed Forces pay grades and titles (i.e., ranks).

Vet Guide is available on the OPM website at:

www.opm.gov/veterans/html/vetguide.htm.

Section 5 U.S.C. 2108 defines "During a War" to mean that the retiree was in the active service of the Armed Forces in any location during World War II beginning December 7, 1941, through April 28, 1952.

The phrase "During a War" means a war declared by Congress.

The phrase "In a Campaign or Expedition" means the retiree actually served in or as a part of the nonwartime campaign or expedition, and was awarded a campaign badge or expedition medal for such service.

For additional guidance on the phrases "During a War" or "In a Campaign or Expedition," see **Clark v. Office of Personnel Management**, 95 F.3d 1139 (1996, Fed. Cir.); and **Brooks v. Office of Personnel Management**, 59 M.S.P.R. 207 (1993).

- (c) If the actual dates of the Armed Forces retiree's campaign or expedition service are not on the individual's "Certificate of Release or Discharge from Active Duty (DD 214)," request the information using a "Verification of a Military Retiree's Service in Nonwartime Campaigns or Expeditions, SF 813."
 - (1) Form SF 813 is available on the OPM website at: <http://www.opm.gov/forms/html/sf.htm>.
 - (2) The form includes "Instructions for Completing SF 813," which explains the appropriate address for the agency to request the retiree's Armed Forces campaign or expedition service dates.
 - (3) The SF 813 must specify both the:

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- (i) Campaign or expedition (e.g., SW Asia Service Medal), and
- (ii) Inclusive dates the retiree served in the campaign or expedition.

E • See subparagraph **3-E-5-2-(b)** for additional guidance on Form SF 813.

- **Example 1 (3-E-6-2)**: The agency reviews the appropriate records and determines that an employee retired from the Navy after active Armed Forces service from 06-01-69 through 06-15-89 (i.e., 20 or more years of active service in the Armed Forces). The agency also finds (without regard to the employee's eligibility for compensable benefits from the Veterans Administration (VA)) that the employee's Armed Forces retirement is not based on a disability incurred as the result of conflict during a war, or in a campaign or expedition.

The official records document that the employee had no "Lost Time" while serving in the Armed Forces. The records also document that the employee received the Navy Expeditionary Medal for Armed Forces service in the Lebanon campaign from 01-01-83 through 05-30-83.

Because the employee's Armed Forces retirement (without regard to VA compensable benefits) was not based on a disability incurred as the result of conflict during a war, or in a campaign or expedition, the agency provides Armed Forces retention service credit only for the employee's campaign service from 01-01-83 through 05-30-83.

- **Example 2 (3-E-6-2)**: The agency reviews the appropriate records and determines that an employee retired from the Air Force after active Armed Forces service from 8-1-78 through 3-30-91 (i.e., 20 or more years of active service in the Armed Forces). The agency also finds that the employee's Armed Forces retirement is based on a disability incurred as the result of conflict during a campaign or expedition.

The official records document that the employee had no "Lost Time" while serving in the Armed Forces. The records also document that the employee received the Received Southwest

Asia Service Medal for service in Operation Desert Storm.

Because the employee's Armed Forces retirement was based on a disability incurred as the result of conflict during a campaign or expedition, the agency provides Armed Forces retention service credit for all of the employee's Armed Forces service from 8-1-78 through 3-30-91.

- **Example 3 (3-E-6-2):** The agency reviews the appropriate records and determines that an employee retired from the Marine Corps as an E-7 (by transfer to the fleet reserve) based on a disability incurred in a training exercise after active Armed Forces service from 9-1-76 through 11-30-88 (i.e., less than 20 years of active service in the Armed Forces).

The official records document that the employee had no "Lost Time" while serving in the Armed Forces. The records also document that the employee received the Army Forces Expeditionary Medal for service in Lebanon from 9-1-83 through 8-31-84.

Because the employee's retirement pay is based on disability before completing than 20 years of active Armed Forces service, the agency provides Armed Forces retention service credit for all of the employee's Armed Forces service from 9-1-76 through 11-30-88.

3-E-6-3

Amount of Armed Forces Retention Service Credit With Preference After Retirement Based on 20 or More Years of Uniformed Service

If the retired member of the Armed Forces is eligible for veterans' preference under OPM's reduction in force regulations, the employee receives retention credit for all creditable active Armed Forces service. (5 U.S.C. 3501(a)(B)(ii); 5 CFR 351.503(b)(2))

3-E-6-4

Amount of Armed Forces Retention Service Credit After Retirement Based on Less Than 20 Years of Uniformed Service

A competing employee receives retention service credit for all active duty the individual performed in the Armed Forces if the individual retired with less than 20 years active uniformed service and:

- (a) Is a “Disabled Veteran” as defined by 5 U.S.C. 2108(2); or
- (b) If not a “Disabled Veteran” as defined by 5 U.S.C. 2108(2), retired below the rank of major (or equivalent).

A [Paragraph **3-A-13-4** provides detailed guidance on the definition of “Disabled Veteran.”]

- **Explanation**-The definition of “Disabled Veteran” in 5 U.S.C. 2108(2) states:

"(2) 'disabled veteran' means an individual who has served on active duty in the armed forces, has been separated therefrom under honorable conditions, and has established the present existence of a service-connected disability or is receiving compensation, disability retirement benefits, or pension because of a public statute administered by the Department of Veterans Affairs or a military department."

- ①
 - Paragraph **3-E-5-9** provides detailed guidance on retention service credit for a nondisabled competing employee who retired under the early retirement provisions of section 4403(i) of Public Law 102-484.

3-E-6-5 **Temporary Disability Retirement List and the Dual Compensation Act**

A retiree of a uniformed service who is on a “Temporary Disability Retirement List (TDRL)” is subject to the reduction in force service credit limitations mandated by the Dual Compensation Act.

- If a uniformed service removed the retiree from the TDRL and subsequently discharged the individual from the uniformed service, the employee's separation was not a retirement from a uniformed service, and the employee is no longer subject to the retention service credit limitations of the Dual Compensation Act.
-

3-E-6-6 **Amount of Armed Forces Retention Service Credit for Retirees of Uniformed Service in the Public Health Service and the National Oceanic Atmospheric Administration**

The Public Health Service (PHS) Commissioned Corps is the uniformed service of the Department of Health and Human Services, and the National Oceanic and Atmospheric Administration (NOAA) Commissioned Officer Corps is the uniformed service of the Department of Commerce.

- E** • See paragraph **3-E-5-10** for additional guidance on PHS.

 - E** • See paragraph **3-E-5-11** for additional guidance on NOAA.
- (a) A retired member of the PHS or NOAA uniformed service receives retention service credit only for Armed Forces service:
- (1) During a war; (5 U.S.C. 3501(a)(B)(i); 5 CFR 351.503(b)(2)(i)), or
 - (2) Actually performed in a campaign or expedition for which a campaign badge has been authorized. (5 U.S.C. 3502(a)(B)(i); 5 CFR 351.503(b)(2)(i))
- (b) Under 5 U.S.C. 2108(a), only service "in the Armed Forces" is a basis for acquiring veterans' preference for purposes of title 5, U.S.C.
- (c) When an agency appoints a retired member of the PHS or NOAA uniformed service, the agency should (as applicable) contact PHS or NOAA to determine:
- (1) The basis for the uniformed retirement; and
 - (2) What periods of active service, if any, were in the Armed Forces.

3-E-6-7 **Armed Forces Service Credit Chart for Retired Members of a Uniformed Service**

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This chart summarizes when an agency provides Armed Forces retention service credit to a retired member of the a uniformed service:

Armed Forces Service Credit for Retired Members of a Uniformed Service

If	And	And	Then Credit
Retirement was based on disability resulting from armed conflict or during a period of war			All active Armed Forces service.
Retired pay is based on less than 20 years of full-time active service excluding active duty for training	Retirement was below the rank of major or equivalent		Length of time in active service in the Armed Forces during a war or in a campaign or expedition for which a campaign badge was received.
	Retirement was at or above the rank of major or equivalent	Retiree is a disabled veteran	
Retiree has been continuously employed as a Federal civilian employee since November 30, 1964 without a break in service of more than 30 days.	Retirement was below the rank of major or equivalent		All active Armed Forces service.
	Retirement was at or above the rank of major or equivalent	Retiree is a disabled veteran	Length of time in active service in the Armed Forces during a war or in a campaign or expedition for which a campaign badge was received.
		Retiree is not a disabled veteran	

Section 7, Computing the Reduction in Force Service Computation Date (SCD-RIF)

Introduction This section contains detailed guidance on the procedures an agency uses to compute a competing employee's (1) Service Computation Date (SCD) that includes all creditable civilian and uniformed service, and (2) Reduction in Force Service Computation Date (SCD-RIF), that includes both the SCD and additional retention service credit for certain performance ratings of record.

Contents This section contains the following topics:

Topic	See Paragraph
Before Computing the Service Computation Date (SCD)	3-E-7-1
Credit for the Separation Day When Computing the Civilian Service Computation Date	3-E-7-2
Breaks in Service When Computing the Civilian Service Computation Date (SCD)	3-E-7-3
Procedures to Compute the Civilian Service Computation Date	3-E-7-4
Procedures to Compute the Armed Forces Service Computation Date	3-E-7-5
Additional Reduction in Force Service Credit for Performance	3-E-7-6
Procedures to Compute the Reduction in Force Service Computation Date (SCD-RIF)	3-E-7-7
Converting to a Realistic Calendar Date Chart	3-E-7-8

Additional Information When appropriate, Restructuring Information Handbook Module 3, Unit E (Reduction in Force Service Credit) has additional information on material in Unit 3-E.

To find additional information on these key paragraphs in Unit 3-E,	In Module 3, see paragraph:
3-E-7-1-(c)	3-E-5-1-(b)
3-E-7-6	3-A-15
3-E-7-4	3-E-7-8

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A This symbol highlights where you can find additional guidance in Unit 3-A.

E This symbol highlights where you can find additional guidance in Unit 3-E on a reduction in force service credit topic.

i This symbol guides you toward more general references on the subject in Module 3 or in the other Modules.

Section 7, Computing the Service Computation Date (SCD)

3-E-7-1

Before Computing the Service Computation Date (SCD)

Before beginning to compute an employee's service computation date for any purpose, the agency should:

- (a) Arrange the employee's Official Personnel Folder in chronological order.
 - This procedure assists the agency in verifying that it gives proper credit for each period of service.
 - This procedure also assists the agency in verifying that it does not credit the same period of service more than one time.
- (b) Compare the employee's resumes, Optional Form-612's, or other employee-prepared documents, with verified service to ensure that the agency accounts for all periods of creditable service.



- See the "**Guide to Processing Personnel Actions**" on OPM's website (www.opm.gov) for guidance on reconstructing missing documentation.
- (c) Note the basis for the employee's discharge from the Armed Forces, as evidenced on the employee's Form DD-214's, if the agency is calculating a service computation date for any purpose than reduction in force.

E

- Subparagraph **3-E-5-1-(b)** explains that the type of discharge from the Armed Forces is not a consideration in calculating retention service credit for purposes of OPM's reduction in force regulations. (5 U.S.C. 3502(a)(A))
- (d) When necessary, review applicable statutes, regulations, or guidance to verify that:
 - (1) A period of civilian service is creditable for retention; (5

CFR 351.503(a)), and

- (2) If creditable, how much of the service is creditable. (5 CFR 351.503(a))

E

- **Explanation**-Section **3-E-3** covers “**Reduction in Force Credit for Civilian Service**,” and provides guidance on most situations, including:

E

- (1) The types of civilian service that are creditable for retention (see paragraph **3-E-3-1** for additional guidance);

E

- (2) The amount of civilian service that is creditable for retention (see paragraph **3-E-3-2** for additional guidance);

E

- (3) The amount of civilian service that is creditable for retention when an employee has leave-without-pay (see paragraph **3-E-3-3** for additional guidance); and

E

- (4) The amount of civilian service that is creditable for retention when an employee has substantially continuous service (see paragraph **3-E-3-4** for additional guidance).
-

3-E-7-2

Credit for the Separation Day When Computing the Civilian Service Computation Date

The agency credits the separation day that concludes each period of civilian service.

- (a) Separations are effective at midnight of the separation day.
- (b) This may provide civilian service credit for the separation day by adding:
- (1) A day to each separation date, or
- (2) The number of separations to the days being subtracted from the appointment date.
-

3-E-7-3

Breaks in Service When Computing the Civilian Service Computation Date

The agency credits separations of 1, 2, or 3 three calendar days between two periods of creditable civilian service as continuous service.

3-E-7-4 **Procedures to Compute the Civilian Service Computation Date (SCD)**

The agency computes the employee's civilian service computation date in this manner, using the actual dates of employment (i.e., the agency does not assume a default calendar month of 30 days in computing the service computation date).

- **Example 1 (3-E-7-4):** The agency reviews the appropriate records and determines that an employee has the following civilian employment history:

Agency-	Beginning Date-	Ending Date-
Agency A	06-27-77	10-12-82
Agency B	10-13-82	05-17-91
Agency C	05-18-91	01-06-96
Agency D	07-12-98	Present

The employee has continuous civilian service from 06-27-77 through 01/06/96.

- (1) **Step One.** The agency adds 1 day to the employee's 01-06-96 separation date to give credit for the separation day.
 - The adjusted separation date is 01-07-96.

The agency does not delete any service from the computation for the service ending 01-06-96 because the service was continuous (i.e., any breaks in service were less than 3 calendar days between separation from one position, and appointment in a different position).

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(2) **Step Two.** The agency then uses a worksheet to compute the amount of the employee’s civilian service credit:

	Year-	Month-	Day-
Beginning Date of Initial Service-	77	06	27
Beginning Date of Present Service-	98	07	12
Add Beginning Dates +			
Sum of Beginning Dates =	175	13	39
Subtract Prior Separation Date -	96	01	07
New Total =	79	12	32
Subtract to Convert 32 Days to Month -		+1	-31
New Total =	79	13	01
Subtract to Convert 13 Months to Years -		+1	-12
Final Civilian Service Computation Date (SCD) =	80	01	02

- **Explanation-**When borrowing from the columns in the worksheet, one month equals 30 days, and one year equals twelve months.

E For additional guidance, see paragraph **3-E-7-8**, “Converting to a Realistic Calendar Date.”

- **Example 2 (3-E-7-4):** The agency reviews the records of the employee in **Example 1 (3-E-7-4)** above, where the employee has the following civilian employment history:

Agency-	Beginning Date-	Ending Date-
Agency A	06-27-77	10-12-82
Agency B	10-13-82	05-17-91
Agency C	05-18-91	01-06-96
Agency D	07-12-98	Present

The employee has continuous civilian service from 06-27-77 through 01/06/96.

E As an alternative to the service credit computation procedure in

Example 1 (3-E-7-4) above, the agency may also compute the same competing employee's SCD-RIF by calculating the total amount of creditable service, adding these periods together, and subtracting the sum from the last appointment date. As an option, the agency may choose to compute employees' service computation dates under both procedures to verify the accuracy of the results.

- When borrowing from the month and year columns, 1 month equals 30 days, and 1 year equals 12 months.

Even though the employee had three separation dates, the agency does not delete any service from the computation for the service ending 01-06-96 because the service was continuous (i.e., any breaks in service were less than 3 calendar days between separation from one position, and appointment in a different position).

The employee was then reappointed on 07/12/98.

- (1) **Step One.** The agency first subtracts the appointment date for each period of service from the separation date for that period of service:

	Year-	Month-	Day-
Separation Date From Prior Appointment	96	01	06
Beginning Date of Prior Appointment	77	06	27
Subtract to Calculate Amount of Service Credit From Appointment	18	06	10
-			

	Years-	Months-	Days-
Total Creditable Service From Prior Appointment =	18	06	10

- **Explanation-**To subtract 06/27/77 from 01/06/96, (1) add 1 day for the separation day, (2) borrow 30 days (i.e., 1 month from months' column) for the day's column, and (3) borrow 12 months (i.e., 1 year), and then add to the month's column.

- (2) **Step Two.** The agency subtracts the total service computed

in Step One above from the date of the employee’s most recent appointment:

	Year-	Month-	Day-
Date of Most Recent Appointment	98	07	12
Total Prior Creditable Service	18	06	10
Final Civilian Service Computation Date (SCD) =	80	01	02

- **Explanation**-Note that the service computation date is the same under the procedures covered in both **Example 1 (3-E-7-4)** and **Example 2 (3-E-7-4)**. By performing the two calculations, the agency will be more likely to find any inconsistency in the final SCD.
-

3-E-7-5 **Procedures to Compute the Armed Forces Service Computation Date**

- E** The agency computes the employee’s Armed Forces service computation date using the same worksheets included in paragraph **3-E-7-4** for civilian service, after determining the types and amounts of Armed Forces service creditable for retention using guidance in:
 - E** (a) Section **3-E-5** (“Reduction in Force Service Credit for Uniformed Service”); and
 - E** (b) Section **3-E-6** (“Reduction in Force Service Credit for Retired Members of a Uniformed Service.”)
 - **Explanation**-See subparagraphs **3-E-5-2-(a)** and **-(b)**, and **3-E-6-3-(c)** for guidance on calculating retention service credit for Armed Forces service on the basis of actual dates contained in Form SF 813, “Verification of a Military Retiree’s Service in Nonwartime Campaigns or Expeditions.
-

3-E-7-6 **Additional Reduction in Force Service Credit for Performance**

Employees receive extra retention service credit for performance based upon the average of their last three annual performance ratings

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of record received during the 4-year period prior to the date the agency:

- (a) Issues specific reduction in force notices; (5 CFR 351.504(b)(1)); or
- (b) The date the agency freezes ratings before issuing reduction in force notices. (5 CFR 351.504(b)(2); (5 CFR 351.504(c))

A

[See Section **3-A-15** for basic guidance on additional retention service credit for performance.]

- (c) **Single Rating Pattern.** The amount of extra retention service credit if all employees in a competitive area have received ratings under a single pattern of summary levels (for example, all of the employees in the competitive area have ratings only under a five-level pattern, or only under a two-level pattern, or under the same three level pattern, etc.) is:
 - (1) **20** additional years for each performance rating of "**Outstanding**" or equivalent (i.e., Level V);
 - (2) **16** additional years for each performance rating of "**Exceeds Fully Successful**" or equivalent (i.e., Level IV); and,
 - (3) **12** additional years for each performance rating of "**Fully Successful**" or equivalent (i.e., Level III).
 - The agency does not give any additional service credit for performance ratings below "**Fully Successful**" or equivalent (i.e., Level III)
 - For example, an employee with 3 years of Federal service has one "**Outstanding**" rating of record, (20), and two "**Exceeds Fully Successful**" (16) ratings of record. The employee would receive additional reduction in force service credit based upon the three actual ratings of record: $20 + 20 + 16 = 56$, divided by 3 = 18.7, rounded up to 19 years of additional retention credit for performance.
- (d) **Multiple Rating Patterns.** If an agency has employees in a

competitive area who have performance ratings under more than one pattern of summary levels, the agency must consider the mix of patterns and may provide different amounts of additional retention service credit for employees who have the same summary level, but are under different patterns. The range of additional service credit is still limited from 12 to 20 years.

- For example, the agency may elect to provide employees who have a Level III "**Fully Successful**" rating under a two-level "**Pass/Fail**" pattern with 18 years of additional retention service credit, while electing to continue providing employees who have a Level IV "Exceeds Fully Successful" under a five-level pattern with 16 years of additional retention service credit.
- (e) Regardless of the basis that the agency computes the additional service credit for retention, the agency gives the employee additional retention service credit based on the mathematical average (rounded in the case of a fraction to the next whole number) of the value of the employee's last three annual ratings.
- (f) If an employee received more than three ratings during the 4-year period, the agency uses the three most recent annual ratings of record.
- (g) If an employee received one or two, but not three ratings of record during the applicable 4-year period, the agency gives credit for performance on the basis of the actual rating(s) of record divided by the number of actual ratings received.
- For example, an employee who received two ratings of record of "**Fully Successful**" receives the appropriate amount of additional retention service credit divided by the two ratings.
- (h) If an employee received only one rating of record during the applicable 4-year period, the agency gives retention credit for performance on the basis of the value of that one actual rating of record.
- (i) **Modal Rating.** If an employee did not receive any ratings of record

during the applicable 4-year period, the agency gives retention credit on the basis of a single “**Modal Rating**” for the employee’s summary level pattern.

- The “Modal Rating” is the summary rating level given most frequently to the summary rating pattern that applies to the employee’s position.
 - The agency determines the “Modal Rating” on the basis of its most recently completed available ratings.
-

3-E-7-7

Procedures to Compute the Reduction in Force Service Computation Date (SCD-RIF)

E The agency may use the same worksheets included in paragraph **3-E-7-4** to compute a competing employee’s reduction in force service computation date (SCD-RIF).

- ⓘ**
- **Example (3-E-7-7)**: In paragraph **3-E-7-4** and **Example (3-E-7-4)**, the agency reviewed the competing employee’s civilian and Armed Forces service records.

The agency found that the employee had only civilian service. The agency then computed the employee’s service computation date (SCD) as 80-01-02.

The agency now includes the employee’s 80-01-02 SCD in its computation of the employee’s reduction in force service computation date (SCD-RIF).

The agency provides the employee additional retention service credit for performance on the basis of the employee’s three most recent ratings of record in the four years prior to the date the agency froze performance ratings for purposes of reduction in force competition. Consistent with the agency’s policies on retention service credit, the agency provides the employee with the following additional retention service credit:

Year-	Rating-	Additional Retention Service Credit-
2000	Level 5	20 years
2001	Level 5	20 years
2002	Level 4	16 years

Subparagraph **3-E-7-6-(e)** notes that the agency computes the employee's additional retention service credit based on the mathematical average (rounded in the case of a fraction to the next whole number) of the value of the employee's last three annual ratings:

Year-	Rating-	Additional Retention Service Credit-
2000	Level 5	20 years
2001	Level 5	20 years
2002	Level 4	16 years
Add		+
Sum	=	56
Av	/	/3
Av	=	18.7
Total	=	19 Years Additional Retention Service Credit

After computing the employee's additional years of retention service credit for performance, the agency then subtracts that amount (i.e., 19 years additional retention service credit) from the employee's SCD (i.e., 80-01-02) to compute the employee's reduction in force service computation date (SCD-RIF):

	Year-	Month-	Day-
SCD-	80	01	02
Subtract Additional Retention Service Credit	- 19	0	0
New Total	= 61	01	02
Final Reduction in Force Service Computation Date (SCD-RIF)	= 61	01	02

3-E-7-8

Converting to a Realistic Calendar Date Chart

The agency may use the "Converting to a Realistic Calendar Date" Chart on the following page in computing retention service credit for a competing employee.

- Notes 1, 2, and 3 are found on the page following the chart.



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- The Chart's substance is identical to Figure 6-5 in OPM's "Guide to Processing Personnel Actions," "Creditable Service for Leave Accrual-Converting to a Realistic Calendar Date."
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Converting to a Realistic Calendar Date Chart-

Rule	A	B	C	D	E
	If the month is:	And the day is:	Then	And	And
1	More than 12	Any number	Divide month by 12 and add result to year	Use remainder for month	Go to following rules to create Month-Day Relation.
2	0	0	Subtract 1 from year	Change month to 11	Change day to 30
3	0	1-31	Subtract 1 from year	Change month to 12	Do not change day.
4	0	32 or more	Divide days by 30	Add result to month	Use remainder for day (see Note 1).
5	1	0	Subtract 1 from year	Change month to 12	Change day to 31
6	1	32 or more	Divide days by 30	Add result to month	Use remainder for day (see Note 1).
7	2	0	Subtract 1 from month		Change day to 31.
8	2	29-30	Change day to 28 (see Note 2).		
9	2	31 or more	Divide days by 30	Add result to month	Use remainder for day (see Note 1).
10	3	0	Subtract 1 from month		Change day to 28 (See Note 2).
11	3	32 or more	Divide days by 30	Add result to month	Use remainder for day (see Note 1).
12	4, 6, 9. or 11	0	Subtract 1 from month		Change day to 31.
13	4, 6, 9. or 11		Divide days by 30	Add result to month	Use remainder for day (see Note 1).
14	5, 7, 8, 10, or 12	0	Subtract 1 from month		Change day to 30 (see Note 3).
15	5, 7, 8, 10, or 12		Divide days by 30	Add result to month	Use remainder for day (see Note 1).

- **Explanation**-Notes for the “Converting to a Realistic Calendar Date” Chart:
 - (1) **Note 1.** When the proper Month-Day relationship is not created, use the rule that applies to the situation.
 - (2) **Note 2.** When the year is a leap year (for example, 1988, 1992, 1996, or another Presidential election year), change the day to 29.
 - (3) **Note 3.** When the new month is 7 (i.e., July), use 31 rather than 30.
-