

THE EMPLOYEE'S GUIDE TO REDUCTION IN FORCE (RIF)

U.S. OFFICE OF PERSONNEL
MANAGEMENT

WORKFORCE RESTRUCTURING
POLICY DIVISION

April 2001 (revised)

- The Office of Personnel Management (OPM) created the Workforce Restructuring Office, now the Workforce Restructuring Policy Division, in March 1994, in response to Administration and Congressional downsizing initiatives. The Office assists agency personnelists and Federal employees in all aspects of downsizing. These areas include, but are not limited to:
 - early retirements
 - buyouts
 - alternatives to RIF
 - reorganization and restructuring tools and strategies
 - reductions in force and furlough procedures
 - grade and pay retention, and severance pay
 - unemployment compensation
 - retraining programs
 - inplacement and outplacement programs
 - on-site technical assistance

- The telephone number for the Workforce Restructuring Policy Division is (202) 606-0960. The fax number is (202) 606-2329.
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- Additional information on downsizing topics may also be obtained from the OPM website at <http://www.opm.gov>.

REDUCTION IN FORCE

- One of the most difficult situations in any worker's life is being laid off. When a productive member of society becomes unemployed, the stress of facing the unknown can be agonizing.
- In the Federal Government, layoffs are called reductions in force, or RIFs. While the term "RIF" certainly has negative connotations, it also has another side. RIF procedures determine how employees will compete to stay in an organization when employment reductions are necessary. The RIF process emphasizes the right of some employees to remain employed when job cuts are made.
- It is important to understand how the RIF process works. That is the purpose of this Guide. We do not expect everyone to become an expert overnight, because RIF procedures are rather complicated. However, it can be helpful to have as much information as possible about how the RIF process works. Staying informed is crucial for those remaining in the organization and for those who will be leaving. Understanding is often the first step toward accepting the situation, and can aid the transition to a new career.

BACKGROUND

- OPM's RIF regulations are derived from the Veterans' Preference Act of 1944 and are presently codified in Sections 3501-3503 of Title 5, United States Code. The law provides that OPM's RIF regulations must take into account four factors in releasing employees--(1) tenure of employment (e.g., type of appointment); (2) veterans' preference; (3) length of service; and (4) performance ratings. OPM implements the laws through regulations published in Part 351 of Title 5, Code of Federal Regulations. In addition, OPM uses the Restructuring Information Handbook, Module 3, to provide additional guidance to agencies on how to properly conduct a RIF. Legal decisions of the Merit Systems Protection Board (MSPB) and the courts also impact these regulations.
- Some agencies that are outside the Executive Branch, and some agencies that are operating demonstration projects involving project-specific pay scales, performance management systems, etc., may use RIF procedures that are similar to those discussed in the paragraph above.

WHEN TO USE RIF PROCEDURES

- An agency must use RIF procedures when one or more employees will be separated or downgraded due to reorganization, lack of work, shortage of funds, insufficient personnel ceiling, or the exercise of certain reemployment or restoration rights. A furlough of more than 30 calendar days, or of more than 22 discontinuous days, is also a RIF action. (A furlough of 30 or fewer calendar days, or of 22 or fewer discontinuous workdays, is an adverse action.) RIF procedures may not be used to take performance-based or conduct-based adverse actions.

RIF ALTERNATIVES

- RIF is the last stop on the road to downsizing. Because it has a negative effect on employees and productivity, it is the last option an agency should pursue when reorganizing or dealing with budget cuts. Other options, including hiring freezes, early retirement, buyouts, and directed reassignments, should be tried before resorting to RIF. More information on RIF Alternatives is available in Restructuring Information Handbook Module 1. The handbook can be obtained from the OPM web site at www.opm.gov/rif/handbook/rih01b98.htm.

MANAGEMENT RESPONSIBILITY

- Agency management has the responsibility to make many decisions concerning a RIF. Management decides if a RIF is necessary, when it will take place, and what positions will be abolished. However, the abolishment of a position does not always require the use of RIF procedures. The agency may reassign you to a vacant position at the same grade or pay, within or outside your commuting area, without regard to RIF procedures. Unions play a major role in the downsizing process, and frequently negotiate or partner various aspects of RIF.

APPLYING THE RIF REGULATIONS

- **COMPETITIVE AREA**--Before a RIF begins, the agency defines the competitive area. The competitive area is the geographical and organizational boundary within which employees compete for retention. A competitive area may consist of all or part of an agency. The minimum competitive area is a subdivision of an agency under separate administration within a local commuting area. If an agency wants to change a competitive area within 90 days of a RIF, the agency must obtain OPM's approval for the change.
- **COMPETITIVE LEVEL**--Next, the agency groups similar positions into competitive levels based on grade, series, qualifications, duties, and working conditions. Positions with different types of work schedules (e.g., full-time, part-time, intermittent, seasonal, or on-call) are placed in different competitive levels. Also,

competitive service and excepted service positions are placed in separate competitive levels.

- A typical competitive level would group all full time, competitive service GS-201-11 personnel management specialists with interchangeable duties in the same competitive level. These GS-201-11 specialists would be in a separate competitive level from any part-time, competitive service GS-201-11 specialists, as well as from any full time, competitive service GS-201-12 specialists.
- **RETENTION REGISTERS**--Next, the four retention factors are applied so that you are ranked in order within your competitive level based on your RIF retention standing. When this listing is done, the competitive level becomes a retention register, because it lists you in the order of your RIF retention standing. RIF retention standing is based on a combination of the following factors--

1. **TENURE.** Employees are ranked on a retention register in three groups according to type of appointment:

- Group I - Career employees who are not serving on probation. (A new supervisor or manager who is serving a probationary period that is required on initial appointment to a supervisory or managerial position is not considered to be serving on probation if the employee previously completed a probationary period.)
- Group II - Career employees who are serving a probationary period, and career-conditional employees.
- Group III - Employees serving on term and similar non-status appointments.
- **NOTE:** An employee serving on a temporary appointment in the competitive service is not a competing employee for RIF purposes and is not listed on the retention register. Such employees may be separated at any time at the discretion of the agency without regard to RIF procedures.

STEP 1: LIST BY TENURE GROUP

Competitive Level: GS-201-11

Bob	I
Carol	I
Ken	I
Susan	I
Jim	II
Alice	II
Tom	III

- 2. VETERANS' PREFERENCE.** Each tenure group is divided into three subgroups reflecting the employees' entitlement to veterans' preference:
- Subgroup AD - Veterans with a compensable service-connected disability of 30% or more.
 - Subgroup A - Veterans not included in subgroup AD.
 - Subgroup B - Nonveterans.
- An employee with military service is not necessarily entitled to veterans' preference for RIF. Veterans' preference is only awarded to those individuals who served on active duty in the armed forces which was performed:
 - In a war;
 - In a campaign or expedition for which a campaign badge has been authorized;
 - During the period beginning April 28, 1952, and ending July 1, 1955; or,
 - For more than 180 consecutive days, other than for training, any part of which occurred during the period beginning February 1, 1955, and ending October 14, 1976.
 - A campaign medal holder or Gulf War veteran who originally enlisted after September 7, 1980, (or began active duty on or after October 14, 1982, and has not previously completed 24 months of continuous active duty) must have served continuously for 24 months or the full period called or ordered to active duty. This is not applicable to those veterans with compensable disabilities, or veterans separated for disability in the line of duty, or for hardship.
 - Veterans' preference may also be awarded to:
 - An unmarried spouse of certain deceased veterans;
 - A spouse of a veteran unable to work because of a service-connected disability; or
 - A mother of a veteran who died in service or who is permanently and totally disabled.
 - An honorable or general discharge is necessary to receive veterans' preference. Military retirees at the rank of major, lieutenant commander, or higher are not eligible for veterans' preference unless they are disabled veterans. Guard or Reserve active duty for training purposes does not qualify for veterans' preference. Questions concerning veterans' preference eligibility should be addressed to the employee's

servicing personnel office.

NOTE FOR MILITARY RETIREES:

- If you are a retired member of the armed forces, you are considered to be a veteran for RIF purposes only if you meet one of the following: (i) your armed forces retired pay is directly based upon a combat-incurred disability or injury; (ii) your armed forces retirement is based upon less than 20 years of active service; or (iii) you have been working for the Government since November 30, 1964, without a break in service of more than 30 days. (If you meet condition (iii) but retired at the rank of major (or equivalent) or higher, you must also meet the general definition of disabled veteran in Section 2108(2) of Title 5, United States Code, in order to be considered a veteran for RIF purposes.)
- Tenure group and veterans' preference are combined to form your tenure subgroup. For example, if you are a disabled veteran on a career-conditional appointment you would be in subgroup II AD.

STEP 2: ADD TENURE SUBGROUP

Competitive Level: GS-201-11

Tenure Group + Veterans' Preference =
Tenure Subgroup

Bob	I AD
Carol	I A
Ken	I B
Susan	I B
Jim	II A
Alice	II B
Tom	III B

- **LENGTH OF SERVICE.** Employees in each tenure subgroup are ranked for RIF retention by their service computation dates. RIF service computation dates begin with all creditable civilian and military service, and are then adjusted due to additional service credit for performance ratings. Employees with more creditable service are ranked ahead of those with less service in each subgroup. For example, an employee with a service computation date of August 1, 1974 is listed higher than an employee with a service computation date of January 15, 1981.

STEP 3: ADD SERVICE COMPUTATION DATE (SCD)		
<u>Competitive Level: GS-201-11</u>		
Bob	I AD	09-01-68
Carol	I A	02-01-92
Ken	I B	09-15-88
Susan	I B	05-31-90
Jim	II A	10-01-91
Alice	II B	08-03-88
Tom	III B	12-14-97

4. **PERFORMANCE.** You will receive extra RIF service credit for performance based on the average of your last three ratings of record received during the 4-year period prior to the date the agency issues RIF notices. The 4-year look-back period begins on the date the agency issues RIF notices, or the date the agency freezes ratings before issuing RIF notices, if earlier.

- There are 5 rating levels. They are: Level V, which is sometimes referred to as or Outstanding; Level IV, which is commonly referred to as Exceeds Fully Successful or Highly Successful; Level III, which is frequently referred to as Fully Successful; Level II, which often referred to as Minimally Successful; and Level I, which is generally referred to as Unacceptable. You will receive extra credit only for ratings of Fully Successful (Level III) or higher.
- For ratings put on record on or before September 30, 1997, the standard values are used for giving credit, regardless of which type of summary rating pattern (such as “Pass/Fail” or “5-level”) was used. The standard values are:
 - 20 years for an "Outstanding" rating (Level V);
 - 16 years for an "Exceeds Fully Successful" rating (Level IV);
 - 12 years for a "Fully Successful" rating (Level III).
- For ratings received on or after October 1, 1997, agencies may (under certain circumstances) use a different method of assigning extra service credit to ratings at or above the “Fully Successful” level. They still must use a whole number between 12 and 20 years, but they are not required to use the standard values.
- Extra service credit for performance is assigned by averaging the value of your last three annual ratings (rounded up to the next whole number, in the case of a fraction).

- If you received more than three annual ratings during the 4-year period, the three most recent annual ratings will be used. If you received fewer than three annual ratings during the 4-year period, the values of the ratings are added together and averaged (i.e., if two ratings were given, their values are added together and divided by two; if only one rating was received, its value is divided by one).
- Example: an employee with two years of Federal service who has received only 2 ratings of record. One rating is an "Outstanding" (20) and one is "Exceeds Fully Successful" (16). The employee would receive additional RIF service credit based upon the two actual ratings or $20+16 = 36$, divided by 2. The result is 18 years of additional RIF service credit for performance.
- You may have no ratings of record due to unusual circumstances such as extended absence for military duty or injury. In such a situation, you will receive performance credit based on the performance rating most often given to employees in your organization. The agency personnel office will calculate this value, called a "modal rating."

The extra years of performance credit are added to the service computation date to form the adjusted service computation date, which is used in determining your RIF retention standing.

STEP 4: ADJUST SCD				
<u>Competitive Level: GS-201-11</u>				
		SCD	PERFORMANCE CREDIT	ADJUSTED SCD
Bob	I AD	09-01-68	$O+O+EFS=20+20+16=56\div 3=19$	09-01-49
Carol	I A	02-01-92	$EFS+O+EFS=16+20+16=52\div 3=18$	02-01-74
Ken	I B	09-15-88	$EFS+O+EFS=16+20+16=52\div 3=18$	09-15-70
Susan	I B	05-31-90	$O+O+O=20+20+20=60\div 3=20$	05-31-70
Jim	II A	10-01-91	$O+FS+FS=20+12+12=44\div 3=15$	10-01-76
Alice	II B	08-03-88	$FS+FS=12+12=24\div 2=12$	08-03-76
Tom	III B	12-14-97	$EFS=16\div 1=16$	12-14-81

- **RUNNING REGISTERS.** Putting employees in RIF retention order is commonly referred to as "running a register." Agencies normally run registers in two ways: (1) within each competitive level; and (2) based on overall RIF retention order regardless of series, grade, etc. The first method is usually called a competitive level register, while the second method is often referred to as an "absolute" or "master retention"

listing.

- Many agencies run registers from computer programs specifically designed for RIF. The most common program is AUTORIF, created by the Department of Defense, but used by many civilian agencies as well.

STEP 5: PLACE IN RETENTION ORDER				
<u>Competitive Level: GS-201-11</u>				
	SCD		PERFORMANCE CREDIT	ADJUSTED SCD
Bob	I AD	09-01-68	$O+O+EFS=20+20+16=56\div 3=19$	09-01-49
Carol	I A	02-01-92	$EFS+O+EFS=16+20+16=52\div 3=18$	02-01-74
Susan	I B	05-31-90	$O+O+O=20+20+20=60\div 3=20$	05-31-70
Ken	I B	09-15-88	$EFS+O+EFS=16+20+16=52\div 3=18$	09-15-70
Jim	II A	10-01-91	$O+FS+FS=20+12+12=44\div 3=15$	10-01-76
Alice	II B	08-03-88	$FS+FS=12+12=24\div 2=12$	08-03-76
Tom	III B	12-14-97	$EFS=16\div 1=16$	12-14-81

- **RELEASE.** Agencies determine how many positions in a given series and grade they need to abolish. This begins the RIF process. If your position is abolished, you may be released from your competitive level. If so, you will be released in the inverse order of your retention standing. (In other words, if you are the employee with the lowest RIF standing, you will be released from your competitive level before others with higher standing are released.) Employees in Group III are released before employees in Group II, and employees in Group II are released before employees in Group I. Within tenure subgroups, employees in Subgroup B are released before employees in Subgroup A, and employees in Subgroup A are released before employees in Subgroup AD. Within each subgroup, employees with less service are released before employees with more service. Any employee reached for release out of this regular order must be notified of the reasons.

STEP 6: EMPLOYEES RELEASED FROM COMPETITIVE LEVEL				
<u>Competitive Level: GS-201-11</u>				
	SCD		PERFORMANCE CREDIT	ADJUSTED SCD
Bob	I AD	09-01-68	$O+O+EFS=20+20+16=56\div 3=19$	09-01-49
Carol	I A	02-01-92	$EFS+O+EFS=16+20+16=52\div 3=18$	02-01-74
Susan	I B	05-31-90	$O+O+O=20+20+20=60\div 3=20$	05-31-70
		Ken	<i>released</i>	
		Jim	<i>released</i>	
		Alice	<i>released</i>	
		Tom	<i>released</i>	

RIGHTS TO OTHER POSITIONS: BUMPING AND RETREATING

- If you are released from your competitive level, you may have rights to other positions by exercising assignment rights that are commonly referred to as bumping and retreating.
- "**BUMPING**" means displacing an employee in the same competitive area who is in a lower tenure group, or in a lower subgroup within your tenure group. For example, if you are in Tenure group I you can bump an employee in Tenure group II or III, and if you are in Subgroup IAD you can bump someone in Subgroup IA or IB. Although you must be qualified for a position in order to bump someone from it, you do not have to have held the position in the past. The position must be at the same grade as your present position or no lower than three grades or grade-intervals below it.
- "**RETREATING**" means displacing an employee in the same competitive area and in the same tenure group and subgroup who has less service. For example, if you are a IA employee you might be able to retreat to the position of another IA employee who has less service. The position must be at the same grade, or within three grades or grade-intervals, below your present position. The position into which you are retreating must also be the same position (or an essentially identical position) you previously held on a permanent basis.
- Employees in retention subgroup AD have expanded retreat rights to positions up to five grades or grade-intervals lower than the position held. In addition, an employee with a current annual performance rating of "Minimally Successful" only has retreat rights to positions held by employees with the same or lower current performance rating.

- If you are in Group I or II and have a current performance rating of at least "Minimally Successful," you are entitled to an offer of assignment if you have bumping or retreating rights to an available position in your same competitive area. An available position must: (i) last at least 3 months; (ii) be in the competitive service; (iii) be one that you qualify for; and (iv) be at the same grade or within three grades (or grade-intervals) below your present position.
- Employees in Groups I and II with current performance ratings of "Unsuccessful" (Level I) and all employees in Group III have no assignment rights to other positions. Employees holding excepted service positions have no assignment rights unless their agency, at its discretion, chooses to offer such rights.
- The grade limits of an employee's assignment rights are determined by the grade progression of the position from which the employee is released. The difference between successive grades in a one-grade interval occupation is a single grade, while the difference between successive grades in a multi-grade interval occupation is a grade-interval. The grade limits are based upon the position the employee holds at the time of the RIF.
 - For example, if you are released from a GS-11 position that progresses GS-5-7-9-11 you will have bump and retreat rights to positions from GS-11 through GS-5. If you are released from a GS-9 position that progresses GS-6-7-8-9, you will have bump and retreat rights to positions from GS-9 through GS-6.

VACANT POSITIONS

- An agency is not required to offer vacant positions in a RIF, but may choose to fill all, some, or none of them. When an agency chooses to fill a vacancy with an employee reached for RIF action, subgroup retention standing is followed. A RIF offer of assignment to a vacant position can only be in the same competitive area, and must be at the same grade or within three grades (or grade-intervals) below your present position. Also, at its discretion, the agency may offer you reassignment or a voluntary change to a lower-graded position in the same or another competitive area in lieu of RIF.

RIF NOTICES

- An agency must give you at least 60 days specific written notice before you are reached for RIF action. In exceptional circumstances, an agency may, with prior

OPM approval, give you less than 60 days, but not less than 30 days, specific written notice of a RIF action.

RIF APPEALS AND GRIEVANCES

- **RIGHT TO APPEAL.** If you have been affected by RIF and separated, downgraded or furloughed for more than 30 days, you have the right to appeal to the Merit Systems Protection Board (MSPB) if you believe that the agency did not properly follow RIF regulations. The appeal must be filed during the 30-day period beginning the day after the effective date of the RIF action.
 - If MSPB rules in your favor, the agency must restore you to the position from which you were separated or assign you to another appropriate position. Also, the agency may be required to provide you with back pay.
- **RIGHT TO GRIEVE.** If you are in a bargaining unit covered by a negotiated grievance procedure that does not exclude RIF, you must use the negotiated grievance procedure and may not appeal the RIF action to MSPB unless you allege the action was based on discrimination. The time limits for filing a grievance can be found in the collective bargaining agreement.
 - If you believe you have been discriminated against during a RIF, you should contact the agency EEO counselor on a timely basis for information on available options.

TIPS FOR EMPLOYEES

- Because of the significant changes in your life that RIF presents, and because you may have little time to make decisions concerning RIF, you should take steps now to be prepared for any RIF that may occur. The following steps are recommended:
 - Review your official personnel folder (OPF) to ensure that all periods of Federal service are documented.
 - It is critical to document all of your service because RIF retention service credit and all computations concerning severance pay, retirement, and buyouts will be computed based on this information.
 - Review your position description (PD) to ensure that it reflects actual duties performed. Your PD is very important in a RIF. Your rights and benefits as an employee in a RIF flow from your PD of record.
 - Obtain any missing official performance ratings of record from the last 4 years.

- As discussed earlier, you will receive extra RIF service credit based on the average of the last three ratings of record during the 4-year period prior to the date the agency issues RIF notices. It is important to try to obtain any missing performance appraisals from the prior 4 years in order to receive the full credit you are due in a RIF.
- If you served in the Armed Forces, check your official personnel folder to ensure that it contains copies of your DD-214s.
 - The discharge paper from the armed forces is called the DD-214. For entitlement to veterans' preference in a RIF, your servicing personnel office uses the latest dated copy of the DD-214. Check with them to make sure they have a copy of your latest DD-214.
- Obtain an estimate of your annuity from your retirement counselor.
 - If you are considering retirement at any time, your servicing personnel office has retirement counselors available to assist you. They can give you an estimate of your annuity and explain your benefits. Be careful to determine what impact retirement or separation will have on your insurance coverage. Carefully consider whether you can live on a reduced income.
- Discuss your available options concerning the Thrift Savings Plan (TSP).
 - Substantial taxes and penalties are involved if you handle your TSP contributions incorrectly. Contact your TSP advisor or retirement counselor for information on your options.
- If you served in the military after 1956, send for your pay records.
 - It is probably in your best interest to pay a retirement contribution to cover any post-1956 military service. You must do this before you retire. Start the process by requesting your military pay records from the military finance center for your branch of service. Your personnel office can tell you where to apply. Begin the process immediately. It is not unusual for the processing of these changes to take several months.
- Discuss future plans with your spouse and family.
 - RIF (or any change in employment status) represents a major change in your way of life. Your spouse and family should be involved in this life-changing event. Job separation may mean pursuing the career you always wanted, but formerly could not pursue. It may mean going back to school, looking for work in a different location, or adjusting the entire family's standard of living. In any event, discussing the possibility of job loss with your spouse and family

can help make decisions easier if a RIF occurs.

- Consider meeting with a personal financial advisor.
 - A financial advisor can review your current money situation and help you make plans in the event you are separated due to a RIF. The advisor can help you figure out what tax advantages may be open to you, make projections on future income, review current and future debts, and discuss the standard of living you can expect. Immediate planning and thorough preparation now can help you to make decisions if a RIF occurs.
- For more information on benefits and reemployment programs, please refer to "The Employee's Guide to Benefits for Employees Affected by Reduction in Force," a publication of the U.S. Office of Personnel Management's Workforce Restructuring Policy Division.
- Other publications available from the Workforce Restructuring Policy Division include "The Employee's Guide to Career Transition" and "The Employee's Guide to Assistance if Affected By Reduction in Force." These publications are available on the Office of Personnel Management's website at www.opm.gov, and at the U.S. Department of Labor's linked website at <http://safetynet.doleta.gov>.
- If you have questions about RIF, you may contact a member of the Workforce Restructuring Policy Division staff at (202) 606-0960.