



**JOINT READINESS TRAINING CENTER AND FORT POLK
CPAC, NON-APPROPRIATED FUND (NAF)
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**“ARMY CIVILIAN PERSONNEL PROFESSIONALS--
HELPING LEADERS MEET THE MISSION”**



**NAF NEWS BULLETIN
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NAF PERSONNEL SYSTEM



Have you ever heard the comment "That's not the way it's done for appropriated fund employees"? Well, those policies, procedures, and entitlements relating to appropriated fund employees and those relating to NAF employees are different.

Under Title 5, United States Code, Section 2105, NAF employees are not deemed employees of the Federal Government for purposes of laws administered by the Office of Personnel Management (OPM). Employment by a Nonappropriated Fund Instrumentality (NAFI) does not confer civil service status. Pay rates for NAF crafts, trades, and laboring employees (NA, NL, NS) are established by authority of the OPM under the provisions of Title 5, United States Code, Section 5342.

While there may be some similarities between appropriated and nonappropriated fund personnel systems, there are substantial differences.

Over the past twelve years, the NAF personnel system has evolved from a rigidly structured set of regulations and rules administered by the civilian personnel office to a more flexible, business oriented personnel system that delegates authority and accountability to managers in personnel management.

The flexibilities inherent with the system will be covered in this and subsequent issues of the NAF NEWS BULLETIN.

NAF EMPLOYMENT POLICY



NAF Personnel System Modernization (First Revision), June 1993 and Chapter 2, AR 215-3 covers the rules relating to filling positions, appointment categories, and the responsibilities of managers and NAF PERSONNEL. In this article, we will cover the more important points and changes that have been made.

Appointment Categories.

Prior to implementation of NAF Personnel System Modernization in September 1991, there were six appointment categories as follows:

- (1) Regular Full-Time (40 hours per week) includes Seasonal.
- (2) Regular Part-Time (20 to 39 hours per week) includes Seasonal.
- (3) Temporary Full-Time (40 hours per week) Not To Exceed 12 months
- (4) Temporary Part-Time (20 to 39 hours per week) not to exceed 12 months.
- (5) Intermittent Regularly-Scheduled (2 to 19 hours per week).
- (6) Intermittent On-Call (no regularly scheduled hours).

The six categories were reduced to two:

- (1) **Regular.** A regular employee serves in an indefinite position on a scheduled basis. Regular employees are further categorized as regular full-time (RFT) if the workweek is 40 hours; or, regular part-time (RPT) if the

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workweek is from 20 to 39 hours. The minimum workweek for a RPT employee is 20 hours.

(2) **Flexible.** A flexible (FLEX) employee serves in an indefinite position on either a scheduled or an as needed basis. Employees who are regularly scheduled must be identified with a guaranteed number of hours each week on DA Form 4017 and DA Form 3434. There is no upper limit to the hours a flexible employee may work (subject to overtime obligations and work scheduled requirements).

Qualification Requirements.



Prior to implementation of NAF Personnel System Modernization in September 1991, qualification requirements for Administrative Services (AS) and Patron Services (PS) positions were contained in AR 215-3. OPM Handbook X-118, Qualification Standards for General Schedule Positions was applied for Universal Annual (UA) positions. These standards could not be modified and were used by CPO in determining applicant's qualifications.

Now the qualification requirements for positions in the pay band system (NF) are developed by the supervisor and incorporated in Standard Position Guides. The use of OPM Operating Manual, Qualification Standards for the General Schedule is mandatory only for positions that have a positive education requirement.

Qualification requirements for positions in child care, youth services, and school age services are contained in the Caregiving Personnel Pay Program Implementation guidance, March 1990.

The qualification requirements for positions in the crafts, trades, and laboring occupations (NA, NL, NS) remain unchanged and are contained in OPM Operating Manual, Qualification Standards for Federal Wage System Positions.

Short-Term Requirements.

NAF Personnel System Modernization introduced or modified existing rules in filling positions on a short-term basis.

To meet special work requirements that will last in excess of one year, but are known to be non-permanent and will cease to be needed upon completion of a project or a projected period of time, a position may be designated as Limited Tenure. This term is added only to a regular appointment. A remark will be entered on DA Form 3434 as to the expected expiration date of the appointment. Limited Tenure employees have the same entitlement to leave and benefits as do all regular employee, however, they do not service a probationary period.

Temporary promotions may be effected on either a competitive basis or noncompetitive basis. Non-competitive temporary promotions cannot exceed 120 days and there are no time limits imposed on competitive temporary promotions. Previously, competitive temporary promotions were limited to one year.

Details to positions at the same or lower grade/level may be used to meet a temporary need or to assess an employee's capability to perform, and interest in, the duties and responsibilities of the position. Although no time limitations are imposed on these actions, if the detail was for the purpose of assessing the employee's performance in the position a supervisor should normally be able to make that assessment within a 120 day period. Previously, details to a higher grade/level could not exceed 60 days and details to the same or lower grade/level could not exceed one year.



Repromotion: An employee may be promoted non-competitively to the highest grade/level (NAF or APF) they had previously held on a permanent bases, provided the employee was not demoted or separated from the grade because of deficiencies in performance or "for

cause" reasons. Previously, the employee had to have held the previous grade/level in a NAF position and the repromotion had to be within one year.



PORTABILITY OF BENEFITS FOR NONAPPROPRIATED FUND EMPLOYEES ACT OF 1990

The Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) contained the Portability of Benefits for Nonappropriated Fund Employees Act of 1990. The DoD Employee Benefit Portability Program applies to DoD civilian employees who move between NAF and APF employment systems within DoD without a break in service of more than three calendar days. The program applies regardless of whether the move is "involuntary" (employee is moved with position from one system to the other) or "voluntary" (employee initiates the move by applying for employment in the other system).

However, many provisions are applied differently depending on whether the move is involuntary or voluntary.

Some of the provisions that apply regardless of whether the move is involuntary or voluntary are:

(1) Accrued annual and sick leave balance will transfer without limitation. There is no transfer of funds and no "pay out" provisions for employees.

(2) Retirement election. Employees who are vested (five years participation) in the retirement plan of the losing system will be given a one-time opportunity to elect retention in the retirement plan of the losing activity or enter the plan of the gaining system. The election is irrevocable regardless of the number of future moves.



(3) Health and Life Insurance. Employees cannot elect to retain coverage under the losing system's plan.

(4) Reduction-In-Force. Service and performance ratings from the losing system are creditable for determining retention status.

(5) Probation Status. Service in a probationary period of the losing system is creditable in the gaining system.

It is extremely important that employees who move between NAF and APF systems within DoD contact their servicing CPAC specialist or the NAF Personnel as soon as possible to ensure that their benefits are protected under the Portability of Benefit Act.



DoD/OPM INTERCHANGE AGREEMENT

This agreement allows eligible DoD NAF employees to apply for civil service positions without being referred from a civil service employment register. It also allows appropriated fund employees to apply for NAF positions for which they qualify. This agreement only applies to movement within DoD. To be eligible under this agreement, a NAF employee must meet all of the following:

- Is serving or has served in a continuing NAF position under appointments (i.e., regular full-time, regular part-time and flexible) without time limits in any DoD NAFI (e.g., AAFES, Army, Air Force, Navy, etc.).
- Meet the qualification requirements of the position to which they are to be appointed.
- Have served continuously for at least one year in NAF positions before appointment to positions in the competitive service.

(NOTE: The one year of continuous service

does not have to be based on the NAF appointment immediately preceding the civil service appointment. It can be met the service in a previous NAF appointment. For example, a current NAF employee serving in a non-temporary position (no time limit) has only three months of service in this position. However, they have five years of continuous non-temporary NAF service on an appointment held two years ago. This employee would be considered as having met the one year service requirement.

NAF employees are given consideration along with other applicants from other noncompetitive sources, including applicants who are eligible to transfer from other government agencies. Your servicing NAF Personnel has complete details.



THE NAF RETIREMENT PLAN (not 401(k) Plan)

Effective January 1, 2001, enrollment in the NAF Retirement Plan is mandatory for all eligible new hires, rehires and newly eligible employees, for the first six months of employment. Thereafter, the employee may cancel his/her enrollment. However, employees may not request a refund of their contributions until they have separated from employment.

It only takes five years of working for a NAFI and contributing to the retirement fund to become a vested member. You may not believe that you will be a NAF employee five years from now; however, we have employees who thought that same thing and have been employed with NAF for 15 to 20 years. They are sure glad they didn't wait to join. You can't go back and buy the time you declined to participate.

Once you join the retirement plan, using DA Form 3473, NAF Payroll will deduct a mere 2% of your salary (you won't even notice

it) and the amount will earn interest while it is in your retirement account.

If you should leave the employ of NAF before the five years are up, your money will be refunded to you with interest. If you should leave NAF employment after becoming vested in the plan, you will be given the option of either a refund with interest or you may defer your annuity until you reach retirement age.

If you are vested and you take an Appropriated Fund position without a break in service of more than three days, you will be given the additional option of continuing in the NAF Retirement Plan. You may, of course, discontinue your contributions to the retirement fund any time you wish. However, refunds may only be granted upon leaving the employ of NAF.

If you are not in the plan give your Personnel Office a call today at 531-4955/6631. Make an appointment to join. Invest in your future.



401(K) SAVINGS PLAN

Effective 13 February 2001, 401(k) Plan rollovers, payouts and hardship distributions will no longer be processed through the NAF Civilian Personnel. From now on, if you want to apply for a hardship withdrawal or if you are terminating and want to roll over or cash out your account you should contact Fidelity Investments directly on the toll free customer service line, 1-800-835-5093. The Fidelity Customer Service Representative will guide you through the process. Should any problem arise concerning vesting dates, termination dates, documentation of hardships, waiver requests, etc. Fidelity will contact the NAF Employee Benefits Branch to resolve the problem. Visit the 401(k) section of the benefits web site at www.NAFBENEFITS.com for additional information.

If you should terminate and seek a payout of

your 401(k) account, your request cannot be processed until 30 days has elapsed since your termination date. This is required due to the lag time in issuing final paychecks and the potential for "trailer" contributions after you have terminated. Your funds will continue to accrue earnings during this 30 day period.

Rollovers of funds into the 401(k) plan from other qualified plans for newly hired employees should be handled directly with additional information obtained by using the toll free telephone number for the NAF Employee Benefits Branch. Please be advised of two critical factors, when rolling funds over into the 401(k) plan:



1. The check for the rollover amount must originate from the financial institution that maintains the current qualified plan and be made payable to Fidelity Investments. Personal checks may not be accepted as that violates the Internal Revenue Code.
2. The certification section of the rollover form must be completed and appropriate documentation must be submitted to certify that the funds being rolled over are from a qualified plan or conduit IRA and are thus eligible for rollover into the 401(k) Plan.

If these requirements are not met, the funds cannot be deposited in the 401(k) plan and you will not accrue dividends or earnings while the funds are not invested.

Now is also a good time to review your last quarterly statement from Fidelity Investments. When you elect to join the 401(k), you are automatically enrolled in the Retirement Money Market Portfolio which is a relatively conservative, low-risk investment. This is not to be confused with the NAF Retirement Plan.

In order to change the plan(s) that your money is invested in, you can call Fidelity Investments at 1-800-835-5093.

The 401(k) Savings Plan is an excellent way to plan effectively for a comfortable retirement.

The amount you accumulate in this plan supplements your Retirement Plan benefits to ensure you have the financial resources you need when you retire. Also, the amount you accumulate is tax deferred, which means you pay no taxes on it until you begin making withdrawals!

You may make "hardship withdrawals" before retirement under certain conditions specified by the Internal Revenue Service.

However, you will have to pay taxes and a 10% penalty on the amount of the withdrawal if you are under age 59 1/2 at the time of the withdrawal.

Loans are also available for qualified participants. In order to access your Fidelity 401(k) account online, you will need your social security number and your Fidelity Personal Identification Number (PIN).

If you have not established a Fidelity PIN, call 1-800-835-5093 and follow the options. While establishing your PIN, you may also enable your online access.

If you already have a PIN, dial 1-800-581-5800 to enable your online access.



LOOK FOR SOCIAL SECURITY STATEMENT

The Social Security Administration has already or is now mailing a statement to Americans age 25 or over, estimating retirement, disability and survivor benefits that you may be eligible for now and in the future. Expect the statement about 90 days before your birth month. Go over it carefully:

>Check information against pay stubs, W-2 forms and tax withholdings to make sure all earnings are correct.

>Make sure each year you have worked is included.

>If you spot an error, call the Social Security Administration at 1-800-772-1213.



REMINDERS

Employees resigning or terminating employment should ensure that a valid forwarding address is provided on DA Form 4017, Request for Personnel Action, for future use. This helps eliminate



problems associated with benefit settlements and receipt of your W2 tax form. Always be sure to visit NAF Personnel before you

leave NAF employment to look at your Official Personnel File and make sure all the information is correct to include your new address. The same holds true for employees who may be moving either locally or out of the area. Let the NAF Personnel know your new address and telephone number. It could prove to be very beneficial to you.

POWER OF THE TONGUE

A group of frogs were traveling through the woods, and two of them fell into a deep pit. All the other frogs gathered around the pit. When they saw how deep the pit was, they told the unfortunate frogs they would never get out. The two frogs ignored the comments and tried to jump up out of the pit. The other frogs kept telling them to stop, that they were as good as dead. Finally, one of the frogs took heed to what the other frogs were saying and simply gave up. He fell down and died. The other frog continued to jump as hard as he could. Once again, the crowd of frogs outside the pit yelled at him to stop the pain and suffering and just die. He jumped even harder and finally made it out. When he got out, the other frogs asked him, "Why did you continue jumping? Didn't

you hear us?" The frog indicated to them that he was deaf. He dad thought they were encouraging him the entire time.

This story teaches two lessons:

1. There is power of life and death in the tongue. An encouraging word to someone who is down can lift them up and help them make it through the day.

2. A destructive word to someone who is down can be what it takes to kill them. Be careful of what you say. Speak life to those who cross your path.

The power of words....it is sometimes hard to understand that an encouraging word can go such a long way. Anyone can speak words that tend to rob another of the spirit to continue in difficult times. Special is the individual who will take the time to encourage another. Be special to others.

ARTICLES FOR BULLETIN

If you have suggestions, topics or articles that you would like addressed in future bulletins, submit them to:

**Civilian Personnel Advisory Center
NAF Branch
ATTN: Bill R. Chance
7041 Radio Road
Fort Polk, LA 71459**

Or you can call 531-4955/6631. If at all possible, suggested topics will be addressed.

**//ORIGINAL SIGNED//
DONALD R. MALLET
Director, Civilian Personnel
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