



Department of Defense INSTRUCTION

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Incorporating Change 2 as of May 4, 2012

USD(P&R)

SUBJECT: DoD Civilian Personnel Management System: Defense Civilian Intelligence Personnel System (DCIPS) Adjustment in Force (AIF)

References: See Enclosure 1

1. PURPOSE

a. Instruction. This Instruction is composed of several Volumes, each containing its own purpose. The purpose of the overall Instruction, in accordance with the authority in DoD Directive (DoDD) 5124.02 (Reference (a)), is to establish and implement policy, establish procedures, provide guidelines and model programs, delegate authority, and assign responsibilities regarding civilian personnel management within the Department of Defense.

b. Volume

(1) 2000 Volume Series. The 2000 Volume series of this Instruction, in accordance with the authority in Reference (a) and the guidance in DoDDs 5143.01, 1400.25, and 1400.35 (References (b), (c), and (d)), establishes policy, assigns responsibilities, and provides guidance for DCIPS. Hereinafter the 2000 Volume series of this Instruction shall be referred to as “the DCIPS Volumes.”

(2) This Volume. This Volume establishes policies and guidance for conducting AIF for positions covered by DCIPS and establishes procedures, prescribes authorities, and assigns responsibilities for AIF actions.

2. APPLICABILITY

a. This Volume applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense that employ

individuals under DCIPS, hereinafter referred to collectively as the “DoD Components with DCIPS positions.”

b. This Volume applies to members of the Defense Intelligence Senior Executive Service (DISES) only insofar as they make AIF decisions, serve as members of the AIF Appeals Committee (AIFAC), or perform other similar managerial functions with respect to AIF. AIF processes for Defense Intelligence Senior Level (DISL) members shall be accomplished in accordance with this Volume and Volume 2003 of this Instruction.

c. This Volume does not apply to employees covered by the Federal Wage System or equivalent, non-appropriated fund employees, or foreign national employees hired under other than DCIPS authority.

3. DEFINITIONS. See Glossary.

4. POLICY. It is DoD policy that DoD Components with DCIPS positions shall:

a. Make every reasonable effort to avoid AIF through resource planning, job changes or retraining, voluntary early retirement authority, separation incentives, and pre-AIF placement for those employees eligible for placement assistance and referral programs in accordance with applicable guidance. Use of these options shall be consistent with specific program requirements and policies.

b. Accomplish AIF with maximum advance planning to ensure minimum disruption to mission and adverse effect on employees.

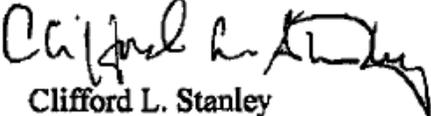
c. Use competitive AIF procedures when an employee(s) is faced with separation; reduction in work level, pay band (for organizations operating under the DCIPS banded structure), or grade (for organizations operating under the DCIPS graded structure); furlough for more than 30 consecutive days or more than 22 cumulative workdays; or, as a result of workforce shaping (e.g., lack of work; shortage of funds; reorganization).

5. RESPONSIBILITIES. See Enclosure 2.

6. PROCEDURES. Enclosure 3 provides procedures for planning and executing AIF actions.

7. RELEASABILITY. UNLIMITED. This Volume is approved for public release and is available on the Internet from the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.

8. EFFECTIVE DATE. This Volume is effective August 7, 2011 pursuant to section 1613 of title 10, United States Code (U.S.C.) (Reference (e)).



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Under Secretary of Defense for
Personnel and Readiness

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ENCLOSURE 1

REFERENCES

- (a) DoD Directive 5124.02, “Under Secretary of Defense for Personnel and Readiness (USD(P&R)),” June 23, 2008
- (b) DoD Directive 5143.01, “Under Secretary of Defense for Intelligence (USD(I)),” November 23, 2005
- (c) DoD Directive 1400.25, “DoD Civilian Personnel Management System,” November 25, 1996
- (d) DoD Directive 1400.35, “Defense Civilian Intelligence Personnel System (DCIPS),” September 24, 2007
- (e) Sections 1603, 1610, and 1613 of title 10, United States Code
- (f) Sections 351.502, 351.503, 351.806 and 353.209 of title 5, Code of Federal Regulations,
- (g) Sections 2108, 3501, 3502, 5595, 7701, 8151, 8336, 8412, 8414, 8905, and Chapter 63 of title 5, United States Code
- (h) Sections 4313 and 4315 of title 38, United States Code

ENCLOSURE 2

RESPONSIBILITIES

1. UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS (USD(P&R)). The USD(P&R) shall:

a. Coordinate with the Under Secretary of Defense for Intelligence (USD(I)) on the development of DCIPS AIF policies and practices and monitor their effects on DoD-wide personnel readiness.

b. Adjudicate AIF appeals filed by employees in the Office of the Under Secretary of Defense for Intelligence (OUSD(I)).

2. USD(I). The USD(I), in conjunction with the USD(P&R), shall:

a. Prescribe policies governing AIF and provide oversight and direction in the execution of AIF in the DoD Components with DCIPS positions.

b. Approve AIF in the DoD Components with DCIPS positions.

c. Evaluate AIF practices of DoD Components with DCIPS positions, including assistance and referral programs, for consistency with this Volume.

d. Identify the membership for and appoint the AIF AC.

3. DIRECTOR, HUMAN CAPITAL MANAGEMENT OFFICE (HCMO). The Director, HCMO, under the authority, direction, and control of the USD(I), shall serve as the Chair of the AIF AC and provide human capital management subject matter expertise in the adjudication of employee AIF appeals.

4. GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE. The General Counsel of the Department of Defense shall provide legal support and advice to the AIF AC, as requested.

5. HEADS OF DoD COMPONENTS WITH DCIPS POSITIONS. The Heads of DoD Components with DCIPS positions shall:

a. Assess the need to conduct an AIF within their respective Components or affecting their DCIPS population and, if necessary, request approval from the USD(I) to use AIF.

b. Administer AIF affecting DCIPS personnel in accordance with the procedures of this Volume.

c. Participate in the AIF appeals in accordance with this Volume and as required by the AIF AC.

d. Authorize reasonable duty time for employees to attend in-house career counseling sessions, workshops, Employee Assistance Service counseling and/or training, and any other activities related to career transitions in response to AIF.

e. Designate a representative at the DISES level or equivalent to serve on the AIF AC.

ENCLOSURE 3

DCIPS AIF PROCEDURES

1. COMPETITIVE AREAS. Competitive areas shall be defined by the DoD Components with DCIPS positions to establish the geographical and organizational limits of AIF competition. Components shall determine competitive areas no fewer than 90 calendar days prior to the planned effective date of an AIF. With USD(I) approval, Components may change a competitive area less than 90 calendar days before the original effective date of an AIF; however, a new 90-day period will begin upon USD(I) approval. A competitive area may be determined by ~~one~~ *a combination of geographic area and any* of the following factors: work category, work level, pay band (for organizations operating under the DCIPS banded structure) or grade (for organizations operating under the DCIPS graded structure), organizational unit, occupational group, or funding lines of business. Competitive areas for DISL positions may be based on one or more of the following: geographical location; organizational unit; technical qualifications; and funding lines of business. DoD Components with DCIPS positions will not mix DCIPS employees in competitive areas with non-DCIPS employees nor assign an employee to more than one competitive area at one time. The minimum geographic competitive area is the local commuting area.

a. Official Position of Record. Employees' official positions or work roles of record determines their competitive areas and placement on the retention list. Employees compete in AIF only from their official positions or work roles of record. While other records that document actual performance of duties and responsibilities may ultimately affect employee eligibility for other positions by demonstrating their qualifications, employees will be included in competitive areas based only on their official positions or work roles of record.

b. Competing Employees. Employees who are in the same competitive area and who are in Tenure Groups I and III, as outlined in subparagraph 3.e.(1) of this enclosure, shall compete for retention.

2. NOTIFICATION

a. General Notification. DoD Components with DCIPS positions shall notify employees who are potentially affected by the planned AIF no less than 90 calendar days prior to the effective date of the AIF.

b. Individual Employee Notification. DoD Components with DCIPS positions shall provide each employee against whom AIF action will be taken a specific written notice of the action at least 60 calendar days (not counting the date the notice is delivered or the AIF effective date) before the AIF effective date. At a minimum, AIF notification shall contain:

- (1) The action to be taken, the reason for the action, and its effective date.

(2) Documentation of the employee's work category, work level, pay band (for organizations operating under the DCIPS banded structure) or grade (for organizations operating under the DCIPS graded structure), competitive area, tenure group, subgroup, veterans' preference, evaluation of record and dates of rating used for performance credit, and length-of-service computation.

(3) The place where the employee may inspect the regulations and records pertinent to the case.

(4) In cases of exceptions to the order of release, the reason for retaining a lower-standing employee in the same competitive area.

(5) Information on reemployment rights.

(6) The employee's benefits, entitlements, and appeal rights, including the time limits for appeal and the address of the AIF AC.

(7) A notice of eligibility for unemployment insurance and other assistance, pertinent application information, and an authorization, at the employee's option, to release their resume and other relevant employment information for employment referral to potential public or private employers.

c. New, Amended, or Cancelled Notice Required. An employee is entitled to a new written notice of at least 60 calendar days if a decision results in an action more severe than the original action.

d. Status During Notice Period. The employee shall remain in normal duty status during the notice period. However, if an emergency exists and there is a lack of work or funds for all or part of the notice period, the employee may be placed on annual leave with or without his or her consent, on leave without pay with his or her consent, or in a non-pay status without his or her consent, consistent with section 351.806 of title 5, Code of Federal Regulations (Reference (f)). The reasons supporting the decision must be fully documented.

e. Prohibited Notice Period. AIF termination and furlough notices shall not be issued or made effective between December 15 and January 3. If, in specific situations, available resources absolutely preclude delay, the USD(I) may authorize exceptions. Exceptions shall be limited and approved only when adverse effect on employees will be significantly increased if the exceptions are not granted.

3. RETENTION

a. Retention Standing. Employees occupying positions in the same competitive area compete for positions in AIF based on their retention standing. Retention standing is based on a combination of tenure, veterans' preference, performance, and length of creditable service, and is determined only for competing employees in the competitive area.

b. Retention Register. All competing employees occupying positions in the competitive area are included on a retention register in order of retention standing.

c. Right of Assignment. Through AIF, DCIPS qualified employees can displace other DCIPS employees with lower retention standing in the assigned competitive area, but have no right of assignment beyond their competitive area during an AIF.

d. Right of Appeal. DCIPS employees may appeal AIF determinations in accordance with section 8 of this enclosure.

e. Retention Factors. DoD Components with DCIPS positions shall use tenure group, veterans' preference, performance, and creditable service as factors in determining retention, as described in section 1610 of Reference (e).

(1) Tenure. Employees in the competitive area serving on temporary appointments of 1 year or less have no tenure and will be released prior to the AIF competition. They do not compete in the AIF. For the purposes of this Volume, Tenure Groups I and II, as defined in section 351.502 of Reference (f), are combined into Tenure Group I. The resulting Tenure Group I employees and Tenure Group III employees are competing employees for AIF.

(a) Tenure Group I includes all permanent employees, including those serving in a trial period. Trial period employees are included in Tenure Group I in order to provide high-performing, recently hired employees retention opportunity under AIF proceedings.

(b) Tenure Group III includes all employees on non-permanent appointments of any kind that are more than 1 year in duration or result in continuous employment for more than 1 year.

(c) Tenure Groups I and III employees identified in the competitive area are placed on the retention register according to their position or work role of record, including those who are on a temporary assignment to a position outside the competitive area.

(2) Veterans' Preference. DoD Components with DCIPS positions shall apply military and veterans' preference in AIF actions, in accordance with section 1610 of Reference (e) and section 3502(c) of title 5, U.S.C. (Reference (g)). Application of veterans' preference to disabled and retired veterans in AIF actions shall be consistent with sections 3501(a)(3) and 3502(b) of Reference (g).

(a) Veterans With Service-Connected Disabilities. A preference eligible who has a compensable service-connected disability of 30 percent or more and whose performance has not been rated unacceptable is entitled to be retained over other preference eligibles.

(b) Veterans' Preference for Retired Members of the Military Services. A retired Service member is a veteran for AIF purposes only if the employee meets one of three conditions:

1. The Service retirement (without regard to benefits from the Department of Veterans Affairs) is directly based upon a combat-incurred disability or injury.

2. The Service retirement is based upon less than 20 years of active duty.

3. The employee has been continuously employed by the Government since November 30, 1964, without a break in service of more than 30 calendar days.

(c) Application of Veterans' Preference in Determining Retention Standing. DoD Components with DCIPS positions will divide each of the two Tenure Groups into three subgroups based upon employees' entitlement to veterans' preference for AIF purposes:

1. Subgroup AD. Includes veterans who are eligible for AIF preference and who have a compensable service-connected disability of 30 percent or more.

2. Subgroup A. Includes veterans eligible for AIF preference who are not eligible for Subgroup AD (including eligible spouses, widows or widowers, and mothers of veterans).

3. Subgroup B. Includes nonveterans and others not eligible for AIF preference in Subgroups AD and A.

(3) Performance. After placing employees on the retention list by Tenure Group and veterans' preference, DoD Components with DCIPS positions shall list employees in descending order based on their performance scores as defined in this section, including DCIPS ratings and converted ratings. DISL performance ratings consistent with Volume 920 of this Instruction will be used to compute the performance score for DISL members to determine retention standing after employees are placed on the retention list by Tenure Group and veterans' preference.

(a) Computing the Performance Score. DoD Components with DCIPS positions will use an employee's evaluation of record against performance objectives and performance elements in accordance with the procedures in Volume 2011 of this Instruction. An employee's performance score for AIF purposes is the average of the employee's three most recent DCIPS overall ratings received during the 4-year period prior to the established cut-off date for receipt of performance ratings. If fewer than three DCIPS ratings exist and no other ratings are available to convert to DCIPS ratings, the existing DCIPS ratings shall be averaged. These ratings shall be averaged to the first decimal point. For example, an employee whose three most recent overall DCIPS ratings are 3, 3, and 4 would have a performance score for AIF of 3.3. Computations shall include only performance scores provided to the employee more than 90 calendar days in advance of the effective date of the AIF.

(b) Creditable Ratings. To be creditable, an evaluation of record need not have been signed by the employee, but must have been issued to the employee with all appropriate supervisory reviews and rater and reviewer signatures accomplished, and must be available for use by the office responsible for establishing retention lists at least 90 days in advance of the

effective date of the AIF. Except for cases of mass conversions and new hires, DoD Components with DCIPS positions shall use only annual and special purpose DCIPS evaluations of record, as described in Volume 2011 of this Instruction, when determining performance scores for AIF purposes.

1. Mass Conversion into DCIPS - “Excellent” and “Outstanding” Ratings.

Employees who convert into DCIPS with their organization, and have a non-DCIPS evaluation of record determined by their Component to be equivalent to the DCIPS evaluation of record of “Excellent” or “Outstanding” on file at the time of conversion, shall be assigned an overall converted DCIPS evaluation of record of 4 or 5, respectively.

2. Mass Conversion into DCIPS - “Successful” Ratings.

Employees who convert into DCIPS with their organization, and have a non-DCIPS evaluation of record determined by their Component to be equivalent to the DCIPS evaluation of record of “Successful” on file at the time of conversion, shall be assigned an overall converted DCIPS evaluation of record of 3.

3. Mass Conversion into DCIPS - “Unacceptable” or “Minimally Successful”

Ratings. Employees who convert into DCIPS with their organization, and have a non-DCIPS evaluation of record determined by their Component to be equivalent to the DCIPS evaluation of record of “Unacceptable” or “Minimally Successful” on file at the time of conversion, shall be assigned an overall converted DCIPS evaluation of record of 1 or 2, respectively.

(c) Individual Movement into DCIPS. Employees who were not part of a mass organizational conversion and who have not yet received a DCIPS evaluation of record shall be assigned a converted DCIPS evaluation of record of 3 (“Successful”).

(d) Missing Ratings. Employees who have no evaluations of record within the most recent 4-year period prior to the established cut-off date for receipt of performance ratings shall be assigned the modal evaluation of record for the competitive area.

(e) Using Converted Ratings in Computing Performance Score. DoD Components with DCIPS positions shall continue to use the converted ratings when computing the DCIPS performance score until the employee has three official DCIPS evaluations of record.

(4) Creditable Service. Creditable service is the final consideration when placing an employee on a retention list. Components shall include all creditable Federal and military service as defined by section 351.503 of Reference (f). As required by section 1610 of Reference (e), credit for military service will be computed in accordance with section 3502(a) of Reference (g).

(5) Additional Tie-Breaking Procedures. DoD Components with DCIPS positions may use additional tie breakers as long as these measures are announced to the work force in advance of an AIF.

(6) Active Service Members. Employees who are Reservists or members of the National Guard on active duty and who have restoration rights will not be listed on the retention list.

Their military status must be included in their record in order to indicate the reason they are not included on the retention register as competing employees for AIF.

(7) Employees with Performance and/or Conduct Problems

(a) Removal. An employee does not compete for retention if, prior to the effective date of the AIF, he or she has received a final written decision of removal for performance or conduct-based reasons.

(b) Reduction in Work Level or Pay Band or Grade. An employee who, prior to the effective date of the AIF, has received a final written decision for reduction in work level or pay band (for organizations operating under the DCIPS banded structure) or grade (for organizations operating under the DCIPS graded structure) because of performance or for conduct reasons, is placed on the retention register for the position to which the employee will be reduced in work level or pay band (for organizations operating under the DCIPS banded structure) or grade (for organizations operating under the DCIPS graded structure). The employee competes in AIF based on the new position.

(8) Employees with Compensable Injuries. Employees away from work receiving compensation for injury enjoy no special protections during an AIF and may not be denied placement rights because of their injury. Separation by AIF terminates restoration rights.

4. DISPLACEMENT AND RELEASE

a. Displacement. DoD Components with DCIPS positions shall displace an employee by moving the employee from his or her present position to a position held by an employee of lower retention standing on the same retention list. Displacement is caused by the abolishment of the employee's position or by the movement of an employee with higher retention standing into a position held by an employee of lower retention standing.

b. Qualifications. An employee must be qualified for the lower standing employee's position and must meet the designated standards and requirements, including minimum educational requirements for the position; be physically qualified, with reasonable accommodation where appropriate, to perform the duties of the position; and be able to satisfactorily perform the duties of the position without undue interruption.

c. Physical Qualifications. An employee on a leave of absence because of a compensable injury may not be denied an assignment right solely because the employee is not physically qualified for the duties of the position if the physical disqualification resulted from the compensable injury. In this case, the employee must be afforded appropriate assignment rights subject to recovery as provided by section 8151 of Reference (g).

d. Preference Eligible Physical Qualifications. If a DoD Component determines that a competing employee from Subgroup AD, as described in subparagraph 3.e.(2)(c)1. of this enclosure, is not able to fulfill the physical requirements of a position to which the employee

would otherwise have been assigned, the Component shall notify HCMO of the determination and, at the same time, the Component shall notify the preference eligible candidate of the reason(s) for the determination and of the right to respond, within 15 days of the date of notification, to HCMO. HCMO will forward the complete package to the AIF AC. The AIF AC shall require a demonstration by the Component that the notification was timely sent to the preference eligible candidate's last known address and shall, before the selection of any other person for the position, make a final determination on the physical ability of the preference eligible candidate to perform the duties of the position, taking into account any additional information provided in the response. When the AIF AC has completed its review of the proposed disqualification on the basis of physical disability, it shall send its findings to the Component and the preference eligible candidate. The Component shall comply with the findings of the AIF AC.

e. Order of Displacement and Release

(1) DoD Components with DCIPS positions shall select employees for release from the retention register in the inverse order of retention standing, beginning with the employee with the lowest retention standing. To ensure this, Components shall first place the employee with the highest retention standing whose position has been abolished. This process shall continue for each employee whose position has been abolished, or whom another employee has displaced, in descending retention standing order.

(2) DoD Components shall release all employees in Tenure Group III before any employee in Tenure Group I is released.

(3) Within each Tenure Group, DoD Components shall release all employees in Subgroup B before any employee in Subgroup A is released, and all employees in Subgroup A before any employee in Subgroup AD.

(4) Within each Subgroup, DoD Components shall release employees in order of performance score, beginning with the lowest performance score. If two or more employees within the same Subgroup have the same performance score and at least one, but not all, of the employees must be released, Components shall release employees based upon their length of creditable service, with the employee having the least amount of creditable service released first. When employees in the same retention Subgroup have identical service dates and are tied for release, the Component may select a tiebreaker to determine the employee for release.

f. Employees on Temporary Assignments. An employee shall always compete for retention from his or her permanent position of record. Employees on temporary assignments away from their permanent positions are members of a competitive area and still compete within the competitive area on the basis of their permanent position of record. Employees on temporary assignments into a competitive area undergoing an AIF and whose permanent position of record is not within the competitive area will not be considered for AIF. At DoD Component discretion, they may complete the temporary assignment or return to the position in the organization to which they are permanently assigned. Temporary assignments to competitive areas undergoing AIF may be permitted to carry through to completion but may not be extended.

g. Exceptions to Order of Release. DoD Components with DCIPS positions may give an employee a temporary postponement of release from a retention list under options listed in subparagraphs 4.f.(1) through 4.f.(3) of this enclosure, as appropriate. The reasons for the exception and the date the employee's retention will end must be on the retention list opposite the employee's name.

(1) Mandatory Exceptions

(a) Military Service Restoration Rights. A Tenure Group I employee entitled under sections 4313 or 4315 of title 38, U.S.C. (Reference (h)) to retention after restoration shall be given retention priority over other employees in the same Subgroup, regardless of performance evaluation of record or length of service, and may not be separated or reduced in pay band, except for cause, for a designated period of time, as specified in section 353.209 of Reference (f).

(b) Use of Annual Leave to Reach Eligibility for Retirement or Continuance of Health Benefits. DoD Components with DCIPS positions shall make a temporary exception to retain an employee who is being involuntarily separated under AIF procedures and who elects to use annual leave to remain on the rolls after the effective date the employee would otherwise have been separated. This exception shall be made in order to establish initial eligibility for immediate retirement under sections 8336, 8412, or 8414 of Reference (g), and/or to establish initial eligibility under section 8905 of Reference (g) to continue health benefits coverage into retirement. DoD Components with DCIPS positions may not retain employees beyond the date they first become eligible for immediate retirement or continuation of health benefits, unless it is necessary in order to satisfy both retirement and health benefits requirements. Annual leave considered must be accrued by the employee and may not be advanced to the employee.

(2) Continuing Exceptions. DoD Components with DCIPS positions may retain an employee who would otherwise be released, provided the employee is performing duties that cannot be taken over within 90 calendar days by an employee with higher-retention standing without undue interruption to the mission. The Component shall notify in writing each higher-standing employee reached for release from the same competitive area of the reasons for the exception.

(3) Temporary Exceptions. Unless otherwise specified, the following temporary exceptions shall be limited to 90 calendar days. The AIF notice of each higher-standing employee on the retention list reached for release from the list must include the reasons for the exception and the date the lower-standing employee's retention will end. Temporary exceptions may be provided:

(a) To satisfy a Government obligation to the retained employee (e.g., to allow an employee who is entitled to a new written notice to have the required full 60 calendar days when the AIF effective date is less than that).

(b) To extend an employee's separation date beyond the effective date of the AIF when the temporary retention of a lower-standing employee does not adversely affect the right of any higher-standing employee who is released ahead of the lower-standing employee.

(c) To retain on sick leave a lower-standing employee covered by Chapter 63 of Reference (g) or other applicable leave system for Federal employees, who is on approved sick leave on the effective date of the AIF, for a period not to exceed the date the employee's sick leave is exhausted.

(d) To retain on accrued annual leave a lower standing employee who will attain first eligibility for an immediate retirement benefit under the authority of sections 8336, 8412, or 8414 of Reference (g) or other authority, and/or establish eligibility under section 8905 of Reference (g) or other authority, to carry health benefits coverage into retirement during the period represented by the amount of the employee's accrued annual leave.

(e) To continue an activity without undue interruption for a period not to exceed 90 days.

(4) Liquidation Exceptions. In addition to exceptions described in subparagraphs 4.f.(1) through (3) of this enclosure, an exception to release order based on retention standing may be made when all positions in the competitive area are abolished. This means employees may be released without regard to performance or creditable service time. However, employees must be released in Subgroup and Tenure Group order. This exception may be applied within 1 year of the date of liquidation.

5. POSITION OFFERS. DoD Components with DCIPS positions will offer an employee placement in a position for which the employee is considered qualified, that is occupied by an employee with lower retention standing in the same competitive area, is not temporary, and does not result in a promotion. For those organizations operating under the DCIPS banded structure, offers may be made to a position at the same or next lower work level or pay band than the employee's present position. For those organizations operating under the DCIPS graded structure, offers may be made to a position at the same or lower work level or grade than the employee's present position, but not more than three grades below the employee's present position. The position offered may be a position in a developmental program. If an employee's pay rate exceeds the maximum rate for the pay band (for those organizations operating under the DCIPS banded structure) or grade (for those organizations operating under the DCIPS graded structure) of the position offered and accepted, the employee will be placed in pay retention in accordance with Volume 2006 of this Instruction.

a. There is no inherent entitlement to a position offer under AIF. However, once a DoD Component does offer a position to an employee, the employee is entitled to that specific offer. Except as provided in paragraph 5.b. of this enclosure, the employee is not entitled to any further offers if the employee:

(1) Accepts the initial offer.

(2) Rejects the initial offer.

(3) Fails to reply to the initial offer within a reasonable time as defined by the Component when the initial offer is provided to the employee.

b. If a better position for which the employee is qualified and for which the employee has retention standing becomes available before, or on, the effective date of the AIF, DoD Components shall offer that position to the released employee regardless of whether the employee accepted or declined a previous offer. Components shall determine what constitutes a better offer, considering work category, work level, pay band (for those organizations operating under the DCIPS banded structure) or grade (for those organizations operating under the DCIPS graded structure), occupation, location, and other factors. The employee is entitled to any better offers of assignment that may occur as a result of another employee's rejection of an offer, resignation, retirement, etc.

c. In addition to position offers resulting from displacement, DoD Components with DCIPS positions may also offer vacant positions to those employees being displaced through AIF, to mitigate the disruption and impact of AIF. Offers of vacancies satisfy an employee's AIF assignment rights if they are within the competitive area and otherwise meet the requirements of a position offer described in section 5 of this enclosure. Management may waive or modify specific qualifications when offering an employee a vacant position, provided the employee meets minimum education requirements and has a performance record that demonstrates the skills and abilities to satisfactorily perform the duties of the position. If Components choose to use vacancies in AIF, the following procedures shall apply.

(1) Offers of Vacant Positions Within the Competitive Area. DoD Components with DCIPS positions will first offer vacancies within the employee's assigned competitive area. A vacancy offer must be based on relative retention standing, with the employee who has the highest retention standing and who is qualified being offered the vacancy before any other employee.

(2) Offers of Vacant Positions Outside the Competitive Area. DoD Components with DCIPS positions may offer vacancies outside the competitive area to employees who would otherwise be separated because they have been released from the retention list. Offers of vacant positions outside the competitive area must be based on retention standing. Acceptance of such offer is voluntary and declining an offer outside of the competitive area is not considered a declination of an official offer.

6. FURLOUGHS. A competing employee may be furloughed when the intent is to recall the employee to duty within 1 year from the date of separation and the furlough will last for more than 30 consecutive calendar days or more than 22 workdays. If more than one employee is to be furloughed, the procedures in this Volume shall be followed to determine retention standing, and employees shall be released beginning with the employee who has the lowest retention standing on the retention register. A competing employee may not be separated due to AIF

while an employee with a lower retention standing in the same competitive area is on furlough. An employee may not be furloughed for more than 1 year. When employees are recalled to duty, they shall be recalled in the order of their retention standing, beginning with the employee with the highest retention standing.

7. TRANSFER OF FUNCTION (TOF)

a. A TOF occurs when work is moved from one competitive area to another or when an entire competitive area is moved to a new local commuting area. The work must cease to be performed in the losing competitive area and be performed by competing employees (not contracted out) in the new competitive area. Additionally, the function transferred must not be being performed in the gaining competitive area prior to the time of transfer.

b. When work is scheduled for liquidation or termination, the transfer of associated or follow-up work to another competitive area for final closure does not constitute a TOF.

c. DoD Components shall use the displacement and release procedures in this Volume to determine the transfer and retention rights of employees in both the losing and gaining competitive areas in the event of a TOF. This Volume's displacement and release procedures shall be applied by:

(1) The losing competitive area, in deciding whether a competing employee has a right to transfer (i.e., if the employee will be separated or reduced in pay band (for those organizations operating the DCIPS banded structure) or grade (for those organizations operating under the DCIPS graded structure) if he or she does not transfer).

(2) The losing competitive area, in the selection of volunteers for the transfer when the number of volunteers exceeds the number of positions required to perform the function in the gaining competitive area.

(3) The gaining competitive area, in establishing the retention rights of the combined population of employees transferring into and employees originally in the gaining competitive area.

8. APPEALS

a. General. The decision by a DoD Component with DCIPS positions to conduct an AIF is not subject to appeal. However, an employee who has been separated, changed to a lower work level, pay band (for those organizations operating under the DCIPS banded structure) or grade (for those organizations operating under the DCIPS graded structure), or who has been furloughed for more than 30 consecutive calendar days, or more than 22 workdays if done on a discontinuous basis, as a result of AIF, may appeal an alleged wrongful application of AIF procedures to the AIF AC, or as provided in this section.

(1) Preference-eligible employees, as defined in section 2108 of Reference (g), and with one year of continuous service, may appeal an action taken against them under this policy to either the Merit Systems Protection Board (MSPB) or to the AIF AC, but may not appeal to both. Section 7701 of Reference (g) shall apply to any such appeal to the MSPB.

(2) OUSD(I) employees shall not appeal to the AIF AC. Non-preference eligible employees in the OUSD(I) may appeal directly to the USD(P&R). Preference-eligible employees in the OUSD(I) may appeal an action taken against them under this policy to the MSPB or the USD(P&R), but may not appeal to both.

b. AIF AC Composition and Responsibilities

(1) The AIF AC shall consist of one DISES level, or equivalent officer (e.g., Senior Intelligence Service, DISL, active duty military officer O-6 or above) designated by each DoD Component with DCIPS positions, a legal representative, and a Chairperson appointed by the USD(I). The functions of the AIF AC may not be delegated.

(2) Responsibilities of the AIF AC are to:

- (a) Conduct necessary fact-finding and research.
- (b) Adjudicate an appeal based on its merits.
- (c) Notify the appellant and the DoD Component with DCIPS of the final ruling.
- (d) Provide instructions to the Component to redress the matter raised by the appellant for appeals that are upheld.
- (e) Return without action an appeal that is withdrawn by the appellant.

c. Appeals to the AIF AC

(1) Appeals to the AIF AC must be in writing, must specify the allegation, and must be received by the OUSD(I) HCMO by the 30th calendar day after the effective date of the AIF action.

(2) Appeals may not be filed by an employee on behalf of any other employee(s).

(3) The AIF AC will be scheduled to convene whenever the Director, HCMO, is in receipt of at least one valid appeal.

(4) An employee who has filed an appeal and is awaiting ruling on that appeal shall immediately notify the AIF AC if he or she accepts an offer of assignment to a position of the same pay band or work level he or she held immediately prior to the AIF in issue.

(5) Other avenues of redress pursuant to DoD Component administrative grievance procedures, separate laws and regulations governing prohibited personnel practices, Equal Employment Opportunity, and protections against whistleblower reprisal remain available to employees outside the AIF appeals process, as applicable.

(6) AIF AC decisions shall normally be made within 30 calendar days from the date the AIF AC convenes.

(7) AIF AC decisions are final.

d. Content of Appeals. Appeals to the AIF AC must contain:

(1) The name, address, and telephone number of the appellant, and the name and address of the agency that took the action.

(2) A description of the action the agency took and its effective date.

(3) A request for hearing if the appellant desires a hearing.

(4) A statement of the reasons why the appellant believes the agency action is wrong and copies of documentation the appellant believes support the argument that the agency action is wrong.

(5) A statement of the action the appellant would like the AIF AC to order.

(6) The name, address, and telephone number of the appellant's representative, if the appellant has a representative.

(7) A copy of the decision from the DoD Component appeal process, if the employee has first pursued that process, along with any relevant documents.

(8) A statement telling whether the appellant or anyone acting on his or her behalf has filed any other appeal, grievance, or complaint with any agency regarding the matter.

(9) The signature of the appellant or, if the appellant has a representative, of the representative.

e. AIF AC Procedures

(1) The Chairperson of the AIF AC shall reject as invalid any appeal that arrives at OUSD(I) beyond 30 calendar days after the effective date of the AIF action, and shall reject any appeal that does not contain the documentation required in subparagraph 8.d. of this enclosure.

(2) The Chairperson of the AIF AC shall establish the AIF AC schedule, meeting, or hearing locations; appoint a secretary to the AIF AC; and arrange for the availability of legal counsel.

(3) The AIF AC membership shall review all appeal documentation and discuss the merits of the appeal in person or electronically.

(4) If the appellant requests a hearing in the appeal submission, the hearing shall be scheduled promptly in order that the appeal be adjudicated within 30 days from the date the AIF AC convenes, or as soon as possible.

(5) Decisions of the AIF AC shall be made final after legal concurrence.

(6) The decision of the AIF AC shall be documented and maintained in OUSD(I) HCMO.

(7) The decision shall be communicated to the employee and the agency at the addresses provided in the appeal.

9. OUTPLACEMENT ASSISTANCE. Components will provide outplacement services to employees who are separated as the result of an AIF utilizing the following programs, as applicable:

a. DoD Priority Placement Program. Participating DoD Components with DCIPS positions shall follow the policies in Volume 1800 of this Instruction.

b. Administrative Referral Assistance. Employees who have received written notification of separation as the result of AIF may, in accordance with Volume 1700 of this Instruction, seek administrative referral assistance to publicize their availability for positions within the DoD Components with DCIPS positions for which they are qualified.

c. Severance Pay Effect on Other Benefits. DoD Components with DCIPS positions will pay severance pay under the authority of section 1603 of Reference (e) and consistent with the provisions in section 5595 of Reference (g). Since separation from a DoD Component with DCIPS positions as a result of AIF is an involuntary separation, not for reasons of misconduct, delinquency or inefficiency, employees shall be eligible for severance pay, retirement, and other benefits. To be eligible for severance pay, an employee must have been employed for at least 12 continuous months, must not be eligible for an immediate annuity from a Federal civilian retirement system or from the uniformed Services, and must not be receiving workers' compensation benefits for wage loss due to an on-the-job injury. In addition, to be eligible for severance pay, an employee may not have refused an offer of a position that is:

(1) In the same DoD Component and local commuting area; and

(2) No more than one work level or pay band below the current position (for those organizations operating under the DCIPS banded structure) or no more than one work level or three grades below the current position (for those organizations operating under the DCIPS graded structure).

d. Retirement and Effect on Other Benefits. Standing provisions available through sections 8336, 8412, and 8414 of Reference (g) and Office of Personnel Management regulations regarding discontinued service retirement, life insurance, health insurance, and other benefits are applicable for such involuntary separation.

10. RECORDS

a. DoD Components with DCIPS positions will maintain complete and accurate records relating to an AIF for at least 2 years after the final action has been taken (refer to the relevant DoD Component's records disposition schedule for specific retention periods).

b. An employee who has received a specific AIF notice has the right to review any completed records used in an AIF action that was taken, or will be taken, against the employee. An employee who has not received an AIF notice has no right to review the retention list and related records.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

AIF	adjustment in force
AIF AC	AIF Appeals Committee
DCIPS	Defense Civilian Intelligence Personnel System
DISES	Defense Intelligence Senior Executive Service
DISL	Defense Intelligence Senior Level
DoDD	DoD Directive
HCMO	Human Capital Management Office
MSPB	Merit Systems Protection Board
OUSD(I)	Office of the Under Secretary of Defense for Intelligence
TOF	transfer of function
U.S.C.	United States Code
USD(I)	Under Secretary of Defense for Intelligence
USD(P&R)	Under Secretary of Defense for Personnel and Readiness

PART II. DEFINITIONS

Unless otherwise stated, the following terms and their definitions apply to this Volume of this Instruction and serve as the basic adjustment in force taxonomy for DoD Components with DCIPS positions.

AIF. The DCIPS force shaping or reduction mechanism for releasing employees from competitive areas in order of tenure, veterans' preference, performance score, and length of service according to this Volume.

AIF AC. A DoD appellate body established by the USD(I) for adjudicating AIF appeals from DCIPS employees, except for appeals from OUSD(I) employees and appeals to the MSPB.

appeal. The administrative action available to employees separated, furloughed for more than 30 consecutive calendar days or more than 22 workdays, or changed to a lower work level, or pay

band (for those organizations operating under the DCIPS banded structure) or grade (for those organizations operating under the DCIPS graded structure).

competing employee. An employee in Tenure Groups I or III.

competitive area. The combination of geographic area and any additional criteria (e.g., work category, work level, pay band (for organizations operating under the DCIPS banded structure) or grade (for organizations operating under the DCIPS graded structure); organizational unit; occupational group; or funding lines of business) in which DCIPS employees compete for retention in AIF actions.

demotion. A change to a lower work level or pay band (for organizations operating under the DCIPS banded structure) or grade (for organizations operating under the DCIPS graded structure).

DoD Component with DCIPS positions. Defined in Volume 2001 of this Instruction.

evaluation of record. The officially designated DCIPS performance evaluation that was presented to the employee with all supervisory reviews and signatures.

furlough. The temporary release of an employee and placement in non-duty, non-pay status because of lack of work or shortage of funds. AIF procedures must be followed when the furlough is for more than 30 consecutive days or more than 22 workdays if done on a discontinuous basis, but not more than 1 year.

liquidation. The abolishment of all positions in a competitive area.

local commuting area. The geographic area that usually constitutes one area for employment purposes. It includes any population center or two or more neighboring ones, and the surrounding localities in which people live and can reasonably be expected to travel back and forth daily to their usual employment.

preference eligible. Defined in Section 2108 of Reference (g).

retention register. A rank-ordering of employees in the competitive area resulting from application of the retention factors. Employees are listed on the retention register in the order of the employee's relative retention standing. For example, the employee with the highest standing is at the top of the register, and the employee with the lowest standing is at the bottom of the register.

tenure group. Defined in Volume 2005 of this Instruction.

TOF. The cessation of the performance of a function in one competitive area and its addition to one or more other competitive areas, or the movement of the competitive area in which the function is performed to another commuting area. In a TOF, the function ceases in the losing

competitive area and continues in identical form in the gaining area. The function transferred must not be being performed in the gaining competitive area prior to the time of transfer.

undue interruption. A degree of interruption that would prevent the completion of required work within a reasonable period (e.g., 90 days) after the employee has been placed in a different position.