

SUBCHAPTER 351

RETENTION SERVICE CREDIT FOR REDUCTION-IN-FORCE

References: (a) 5 CFR 351
(b) 5 CFR 430

Cancelled: SECNAVINST 12351.6

1. **Purpose.** This subchapter establishes policy and assigns responsibility for establishing retention service credit for reduction-in-force (RIF) based on individual performance within the Department of the Navy (DON).

2. **Definitions.** Definitions are contained in Appendix A.

3. **Policy.** In DON, retention service credit for performance will be applied in a uniform and consistent manner within a competitive area.

4. **Responsibilities**

a. The Assistant Secretary of the Navy (Manpower and Reserve Affairs) is responsible for issuance of policy on retention service credit for RIF. This responsibility is delegated to the Deputy Assistant Secretary of the Navy (Civilian Human Resources) (DASN(CHR)).

b. The Chief of Naval Operations (CNO); the Commandant of the Marine Corps; the Assistant for Administration, Under Secretary of the Navy; and the heads of Echelon 2 commands under CNO are responsible for assuring that this policy is implemented within their respective organizations.

c. Heads of Navy activities and Marine Corps commands are reminded of their obligations under the Federal Service Labor-Management Relations Statute, Chapter 71 of Title 5, U.S.C., to fulfill any requirement for collective bargaining prior to implementation.

5. **Ratings Used for RIF Purposes**

a. Ratings of record used for RIF purposes are written ratings of record covered under 5 CFR 430.208(d) or the out-of-cycle rating of record required to support a within-grade increase determination (5 CFR 531.404(a)(1)).

b. For employees who received performance ratings under performance management systems not covered by 5 CFR 430 (i.e., performance ratings received from agencies such as the U.S. Postal Service, Peace Corps, General Accounting Office, etc.), those performance ratings shall be considered ratings of record for RIF purposes when it is determined that they are equivalent ratings of record under CFR 430.201(c). This may involve looking back at ratings received over the last four years that are filed in the employee's performance file but may or may not have been entered into the Defense Civilian Personnel Data System (5 CFR 351.504(a)(3)).

c. To be creditable, a rating of record must have been issued to the employee, with all appropriate signatures, and must also be on record. The rating of record must be available for use by the office responsible for establishing retention registers (5 CFR 351.504(b)(3)).

6. Basis for Credit

a. An employee's entitlement to retention service credit for performance shall be based on the employee's three most recent ratings of record received during the four-year period prior to the cut-off date (5 CFR 351.504(b)(1)).

b. To provide adequate time to properly determine employee retention standing, the cut-off date for use of new ratings of record is set at 30 days prior to the date of issuance of the RIF notices (5 CFR 351.504(b)(2)).

7. Amount of Credit

For RIF actions effective on or after 1 October 1998, the following provisions must be applied when awarding retention service credit:

a. Single Rating Pattern

A single rating pattern exists when all employees within the competitive area of the RIF have received ratings of record under the same summary rating pattern (e.g., all ratings of record credited under a five-level pattern or all ratings of record credited under a two-level pattern).

When employees within a competitive area have ratings of record under a single rating pattern, they shall receive retention service credit based on the mathematical average

(rounded in the case of a fraction to the next higher whole number) of the value of the employee's last three ratings of record within the four-year period. If the employee has received only two actual ratings of record during this period, the value of each rating will be added together and divided by two to determine the amount of additional retention service credit. If the employee has received only one actual rating during this period it will be divided by one. In determining this average, the value assigned to each rating of record is as follows: (5 CFR 351.504(d))

(1) Level 5 - Outstanding or equivalent: 20 additional years of service for each rating of record;

(2) Level 4 - Exceeds Fully Successful or equivalent: 16 additional years of service credit for each rating of record;

(3) Level 3 - Fully Successful or equivalent: 12 additional years of service credit for each rating of record; and,

(4) No retention service credit will be given for summary rating levels below Level 3 (Fully Successful or equivalent).

b. Multiple Rating Patterns

Multiple rating patterns exist when one or more ratings of record being credited for RIF within a competitive area were given using a different summary level pattern than other ratings of record in the same competitive area being credited for RIF (e.g., an employee has one rating of record under a two-level summary rating pattern and the remainder of the ratings of record in the competitive area being credited for RIF are under a five-level summary rating pattern).

To determine whether or not a multiple pattern exists, all ratings of record to be credited for RIF must be reviewed for every employee in the competitive area. If more than one pattern is represented (even if there is just one rating from a different pattern), then a multiple pattern exists in that competitive area.

When employees within a competitive area have ratings of record under a multiple pattern, they shall receive retention service credit based on the mathematical average, rounded in the case of a fraction to the next higher whole number of the value

of the employee's last three ratings of record within the four-year period (for example, 16.1 is rounded up to 17). If the employee has received only two actual ratings of record during this period, the value of each rating will be added together and divided by two to determine the amount of additional retention service credit. If the employee has received only one actual rating during this period it will be divided by one. For ratings of record put on record on or after 1 October 1997, the value assigned to each rating of record is as follows:

(1) Levels 3, 4, or 5 - Outstanding, Exceeds Fully Successful, Fully Successful or equivalent: 20 additional years of service credit for each rating of record (5 CFR 351.504(e) (2) and (3)); and,

(2) No retention service credit will be given for summary rating levels below Level 3 (Fully Successful or equivalent) (5 CFR 351.504(e) (2)).

c. No Ratings of Record

When an employee has no ratings of record to his/her credit during the four-year period, he/she shall receive retention service credit for performance based on the most common or "modal" summary rating level. The modal rating is the summary level assigned most frequently among the ratings of record that are:

Assigned under the summary level pattern that applies to the employee's position at the time of the RIF;

Given within the same competitive area; and

On record for the most recently completed appraisal period prior to the cut-off date.

In determining the value assigned for the modal rating the following procedures apply:

(1) For the most recently completed appraisal period review the ratings of record within the competitive area that are on record and sort the ratings of record given under that summary pattern by summary level.

(2) Look at the number of ratings of record given for each summary level.

(3) The summary level with the highest count is the modal rating for the pattern.

(4) Use the appropriate modal rating (i.e. for the pattern that applies to the employee's position of record) to assign the same additional service credit that an actual rating of record of that level and pattern would receive in that competitive area in that RIF.

Sample Scenario (Single Rating Pattern): There is a single competitive area with a single performance appraisal program, which uses a 5 level system. The latest appraisal period ended September 30. The cut-off date to put ratings on record was December 1. A review of the ratings of record given for the latest appraisal period and on record before the cut-off date finds:

10 employees received a Level 5
20 employees received a **Level 4**
15 employees received a Level 3
4 employees received a Level 2
2 employees received a Level 1

20 is the highest number, so **Level 4** is the modal rating for this competitive area. Consequently, the standard crediting scheme for a single rating pattern at 5 CFR 351.504(d) must be used. Under that scheme, an actual **Level 4** rating of record gets **16** years additional service credit. The employee who has no rating of record will be assigned **16** years additional service credit, based on a Level 4 modal rating.

Sample Scenario (Multiple Rating Pattern): There are 30 employees in the competitive area. One employee does not have any ratings of record. To determine the employee's retention service credit, you must identify the summary rating level assigned most frequently among the most recent ratings of record that are given under the summary level pattern that applies to the employee's position of record. The most recent ratings of record are:

Twenty-four of the most recent ratings of record to be credited for RIF are under a five-level summary rating.

The summary ratings are:

- 11 - employees received a **Level 5**
- 5 - employees received a Level 4
- 8 - employees received Level 3

Five of the most recent ratings of record to be credited for RIF are under a two-level summary rating.

The summary ratings are:

- 5 - employees received a Level 3

The employee would receive **20** years retention service credit in determining retention standing since 20 years of service credit is awarded when employees within a competitive area have ratings of record (e.g., Levels 3, 4 or 5 under a multiple pattern).

8. Action. Commands, activities and individuals with responsibilities for retention service credit for reduction-in-force RIF based on individual performance shall take necessary actions to implement the provisions outlined in this subchapter.

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APPENDIX A- DEFINITIONS

- a. Competitive Area. The organizational and geographic boundaries in which employees compete for retention under RIF procedures.
- b. Cut-off Date. Cut-off date will be 30 days prior to date of issuance of RIF notices. This date will be used to determine at which date no new ratings of record will be put on record and used for purposes of RIF.
- c. Equivalent Ratings of Record. Equivalent Ratings of Record are ratings given under performance management systems not covered by 5 CFR 430. These ratings are considered ratings of record for RIF purposes when the performance evaluation was issued as an officially designated evaluation under the employing Federal agency's performance evaluation system; was derived from the appraisal of performance against work related expectations; and identifies whether the employee performed acceptably. If the performance evaluation does not include a summary level designator comparable to the summary rating patterns in 5 CFR 430.208(d), a level and pattern based on the information related to the appraisal process may be identified (5 CFR 430.201(c)).
- d. Modal Rating. The modal rating is the summary rating level assigned most frequently among the actual ratings of record that are given under the summary level pattern that applies to the employee's position of record at the time of the RIF. The modal rating is derived using the ratings from the most recently completed appraisal period on record prior to the cut-off date. In a two level performance rating pattern, the summary rating most frequently assigned will usually be "Acceptable." Therefore, the modal rating will be either 12 or 20, depending on whether a single or multiple pattern was in use within the competitive area during the most recently completed rating period. Modal ratings are only used when an employee has no ratings of record to his/her credit (5 CFR 351.203).

e. Rating of Record. The performance rating at the end of an appraisal period for performance of agency-assigned duties over the entire period and the assignment of a summary level within a pattern (as specified in 5 CFR 430.208(d), or the out-of-cycle rating of record required to support a within-grade increase determination, in accordance with 5 CFR 531.404(a)(1) (5 CFR 430.203).

f. Summary Rating Level. The final result of the performance evaluation process (e.g., Level 3 = Acceptable/Fully Successful and Level 1 = Unacceptable). The summary rating is used to provide consistency in describing ratings of record and as a reference point for assigning additional retention service credit for RIF (5 CFR 430.208).

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APPENDIX B- EXAMPLE OF SINGLE PATTERN

| EXAMPLES OF SINGLE PATTERN | | | |
|-----------------------------------|------------------------------------|---------------------------------|---|
| IF RATING PATTERN IS | AND INDIVIDUAL RATINGS ARE | THEN AMOUNT OF CREDIT IS | COMPUTATION OF AMOUNT CREDITABLE FOR RIF |
| Single 5 Level | Level 3 - Fully Successful | 12 Years | |
| | Level 3 - Fully Successful | 12 Years | |
| | Level 4 - Exceeds Fully Successful | 16 Years | |
| | Total | 40 Years | 40 Years/3=13.3 or 14 |
| Single 2 Level | Unacceptable | 0 Years | |
| | Acceptable | 12 Years | |
| | Total | 12 Years | 12 Years/2=6 |
| Single 2 Level | Acceptable | 12 Years | |
| | Total | 12 Years | 12 Years/1=12 |

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APPENDIX C- EXAMPLE OF MULTIPLE PATTERN

| EXAMPLES OF MULTIPLE PATTERN | | | |
|-------------------------------------|------------------------------------|---------------------------------|---|
| IF RATING PATTERN IS | AND INDIVIDUAL RATINGS ARE | THEN AMOUNT OF CREDIT IS | COMPUTATION OF AMOUNT CREDITABLE FOR RIF |
| Multiple 5 Level | Level 4 - Exceeds Fully Successful | 20 Years | |
| | Level 4 - Exceeds Fully Successful | 20 Years | |
| | Acceptable | 20 Years | |
| | Total | 60 Years | 60 Years/3=20 |
| Multiple | Unsatisfactory | 0 Years | |
| | Acceptable | 20 Years | |
| | Total | 20 Years | 20 Years/2 =10 |
| Multiple | Level 4 -Exceeds Fully Successful | 20 Years | |
| | Total | 20 Years | 20 Years/1=20 |