

**BY ORDER OF THE SECRETARY
OF THE AIR FORCE**

AIR FORCE MANUAL 34-315

6 MARCH 2013



Services

**AIR FORCE NONAPPROPRIATED FUND
(NAF) EMPLOYEES' 401(K) SAVINGS PLAN**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This publication implements Air Force Policy Directive (AFPD) 34-3, *Nonappropriated Funds Personnel Management and Administration*. It outlines procedures for administration of the Air Force Nonappropriated Fund (NAF) Employees' 401(k) Savings Plan. This manual applies to all Air Force and Air Force Reserve civilian NAF employees. It does not apply to Army and Air Force Exchange Service employees, the Air National Guard, or any other category of employee.

This manual may not be supplemented. Refer recommended changes and questions about this publication to the OPR using the AF Form 847, *Recommendation for Change of Publication*; route Air Force Form 847s from the field through the appropriate functional's chain of command. Requests for waivers are not authorized. Ensure all records created as a result of processes prescribed in this publication are maintained in accordance with (IAW) Air Force Manual (AFMAN) 33-363, *Management of Records*, and disposed of IAW the Air Force Records Information Management System Records Disposition Schedule. This manual requires collecting and maintaining information protected by the Privacy Act of 1974, System of Records Notice F065 AF SVA B, NAF Insurance and Employee Benefit System Files and F034 AF, Air Force Services Agency, NAF Civilian Personnel Records, applies.

SUMMARY OF CHANGES

This AFMAN has been changed from an Air Force Instruction (AFI) and must be completely reviewed. Changes include: information provided at in-processing, waiting periods, and how information flows into the Defense Civilian Personnel Data System (DCPDS).

Chapter 1

OVERVIEW

1.1. NAF Employees' 401(k) Savings Plan.

1.2. Refer to and follow the additional instructions contained in the 401(k) Savings Plan Administration Manual- when using the guidance in this AFMAN. Use the two documents together to properly administer the Air Force NAF Employees' 401(k) Savings Plan.

1.3. Address all questions- regarding individual account information, as well as all requests for forms and supplies, to the record keeper at the address and telephone number listed in the 401(k) Savings Plan Administration Manual.

1.4. Direct all comments- regarding the management and administration of the NAF Employees' 401(k) Savings Plan as well as requests for Summary Plan Descriptions (SPDs), to the Air Force Personnel Center, Retirement Section (AFPC/SVXHB), 2261 Hughes Ave., Suite 156, Lackland AFB, Texas 78236-9852.

1.5. Maintaining Administrative Supplies. NAF Human Resources (NAF-HR) maintain a stock of administrative supplies (such as the forms described in the 401(k) Savings Plan Administration Manual) and SPDs.

1.6. Roles and Responsibilities.

1.6.1. **AFPC/SVXHB provides-** general oversight and management of the Air Force NAF Employees' 401(k) Savings Plan and publishes instructional and publicity materials.

1.6.2. Air Force Personnel Center, Shared Service Center Payroll Section (AFPC/SVTEP) processes the collection of employee and employer contributions associated with Air Force NAF Employees' 401(k) Savings Plan participation as instructed in Department of Defense (DoD) 7000.14-R Volume 13, *Department of Defense Financial Management Regulations (FMRs)*, and this manual.

1.6.3. Force Support Squadron NAF-HR Sections perform installation-level administration as instructed in the 401(k) Savings Plan Administration Manual provided by the record keeper and this AFMAN.

1.6.4. NAF-HR Responsibilities:

1.6.4.1. Counsel employees about the Air Force NAF Employees' 401(k) Savings Plan and its provisions in order to make an informed decision regarding employee participation.

1.6.4.2. Advises newly hired regular or current employees converted from flexible to regular status of the Plan's benefits during in-processing or at the time of conversion and they will be automatically enrolled after 30 days of employment if they do not sign a waiver of participation form.

1.6.4.3. Explains the Air Force NAF Employees' 401(k) Savings Plan benefits outlined in the SPD.

1.6.4.4. Informs former NAF employees with 30 days of regular service, and if rehired in a regular employment category, that they will be automatically enrolled in the Air Force NAF Employees' 401(k) Savings Plan and has them sign a waiver of participation form if they choose not to participate.

1.6.5. Payroll Office Responsibilities:

1.6.5.1. Process Enrollments. The information from DCPDS flows to payroll system and interfaces into Air Force Services Financial Management System (AFSFMS).

1.6.5.2. Process Changes. Use the Contribution and Investment Change Form provided by the NAF-HR to make changes to employees' deduction amounts. Such changes may include an employee changing his or her contribution amount to zero. Changes flow from DCPDS to payroll system and interfaces into AFSFMS.

1.6.5.3. Process Terminations. There is no need to process any special form when an employee terminates or goes on leave without pay. An employee's contributions will continue as long as he or she is receiving any pay, excluding severance pay.

1.6.5.4. Process Refunds or Deductions to Correct Errors.

1.6.5.5. If the correction (refund or deduction) is for two pay periods or less, correct the error through the payroll system according to DoD 7000.14-R, Volume 13.

1.6.5.6. If the correction is for more than two pay periods, notify AFPC/SVXHB immediately and provide an explanation of the problem and identification of the pay periods involved

Chapter 2

DETERMINING ELIGIBILITY AND ENROLLING NEW PARTICIPANTS

2.1. Determining Eligibility.

2.1.1. To be eligible, an employee must be a Regular Air Force NAF employee (not an off-duty military employee) and have at least 30 days of regular Air Force NAF service and must be a United States (US) citizen, US National, or permanent resident alien of the US.

2.1.2. Employees who have prior service with another DoD employer, or as an appropriated fund employee, contact AFPC/SVXHB for eligibility guidance.

2.2. Enrolling New Participants in the 401(k) Savings Plan.

2.2.1. Eligible employees complete the Enrollment Form and Beneficiary Designation Form and indicate their contribution percentage and investment election.

2.2.1.1. Non-participants must indicate their waiver of participation.

2.2.1.2. Employees who do not decline participation in the plan after 30 days of regular service will be automatically enrolled in the Plan with a 1% employee contribution. Auto-enrolled participants may change or suspend their enrollment by submitting a Contribution Change Form to NAF-HR Section.

2.2.2. Distribute a copy of the Enrollment Form and Beneficiary Designation Form to the employee, employee's Official Personnel File (OPF), and if enrolling, the record keeper.

2.2.3. Give participating employees a copy of the SPD.

2.2.4. Process 401(k) election form in DCPDS if employee chooses to enroll. This form must be dated before the pay period starts to be effective for the following pay period provided the 30 day eligibility has been met.

2.3. Documenting Waivers of Enrollment. Employees who do not wish to enroll must complete an Enrollment Form indicating such within the first 30 days of employment. Maintain a copy of the Enrollment Form in the employee's OPF and distribute a copy to the employee. The NAF-HR will remind employees they can enroll at any later date as long as they remain in an eligible category.

2.4. Processing Forms after Initial Enrollment. Once an employee has enrolled in the Air Force NAF Employees' 401(k) Savings Plan, he or she may make changes in his or her contribution amount, beneficiary, etc. Instructions for making changes are in the 401(k) Savings Plan Administration Manual. Process contribution changes in DCPDS. This form must be dated before the pay period starts to be effective for the following pay period provided the 30 day eligibility has been met.

Chapter 3

PROCESSING

3.1. Processing Distributions Due to Termination, Retirement, or Death. Employees are eligible to receive the vested portion of their account if they die, retire, or terminate their employment. Complete the Termination Notification Form for termination, retirement and death. If the employee is deceased, complete and forward the Termination Notification Distribution Form along with a copy of the death certificate and a copy of the Beneficiary Designation Form to AFPC/SVXHB. Employees are not eligible to receive a distribution from their account if they change to an ineligible employment category. Instructions for completing and processing this form are in the 401(k) Savings Plan Administration Manual. Distribute a copy of the form to the employee/beneficiary, employee's OPF, record keeper and AFPC/SVXHB.

3.2. Processing Rollover Contributions into the Plan. Employees are eligible to roll 401(k) funds from a previous employer's qualified plan into the plan. If an employee wishes to make a rollover contribution, the employee completes the "Rollover into the USAF NAF 401(k) Plan from another Qualified Plan Form." Instructions for completing and processing this form are in the 401(k) Savings Plan Administration Manual. Distribute a copy of the form to the employee, employee's OPF, record keeper and AFPC/SVXHB.

3.3. Processing Restoration of Forfeitures for Rehired Employees. Former participants who are rehired within 5 years are eligible to reinstate any forfeitures of employer matching contributions by returning any distributions they received. If a rehired employee wishes to restore his or her forfeitures, they complete the Restoration of Forefeitures Form; obtained from the record keeper. Instructions for completing and processing this form are in the 401(k) Savings Plan Administration Manual. Distribute a copy of the form to the employee, employee's OPF, record keeper, and AFPC/SVXHB.

3.4. Processing Employees Affected by the Portability of Benefits for Nonappropriated Fund Employees Act of 1990 (Portability Act). If an employee affected by the Portability Act elects to remain in the NAF Retirement Plan, he or she is also eligible to remain in the Air Force NAF Employees' 401(k) Savings Plan. Instructions for processing employees affected by the Portability Act are found in the 401(k) Savings Plan Administration Manual.

3.5. Notifying Payroll of Actions. Ensure all forms that affect an employee's payroll deduction are processed in DCPDS. Forms include the Enrollment Form and Contribution Change Form, which is obtained from the record keeper. If an employee's hardship withdrawal request is approved, follow the procedures for discontinuing 401(k) contributions for 6 months as explained in the 401(k) Savings Plan Administration Manual.

DARRELL D. JONES
Lt Gen, USAF
DCS, Manpower, Personnel, and Services

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

AFPD 34-3, *Nonappropriated Funds Personnel Management and Administration*, 19 July 2012

AFMAN 33-363, *Management of Records*, 1 March 2008

DoD 7000.14-R, *Department of Defense Financial Management Regulations (FMRs)*, Volume 13

Adopted Forms

Air Force Form 847, *Recommendation for Change of Publication*

Abbreviations and Acronyms

AFI—Air Force Instruction

AFMAN—Air Force Manual

AFPC—Air Force Personnel Center

AFPD—Air Force Policy Directive

AFPC/SVTEP—Air Force Personnel Center, Shared Service Center Payroll Section

AFPC/SVXHB—Air Force Personnel Center, Retirement Section

AFSFMS—Air Force Services Financial Management System

DCPDS—Defense Civilian Personnel Data System

IAW—In Accordance With

NAF—Nonappropriated Fund

NAF—HR —Nonappropriated Fund Human Resources

OPF—Official Personnel File

OPR—Office of Primary Responsibility

SPD—Summary Plan Description

US—United States