

**BY ORDER OF THE COMMANDER,
UNITED STATES AIR FORCES IN EUROPE
(USAFE)**

**UNITED STATES AIR FORCES IN EUROPE
INSTRUCTION 36-706**

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Personnel



**COOPERATION BETWEEN THE
CONTROLLING AND SERVICE
DIRECTORATE, FOREIGN FORCES PAYROLL
OFFICE AND U.S. AIR FORCE (GERMANY)**

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This instruction implements AFPD 36-7, *Employee and Labor-Management Relations*. It outlines the responsibilities of the Rhineland - Palatinate Controlling and Service Directorate (*Aufsichts- und Dienstleistungsdirektion*), Foreign Forces Payroll Office (*Lohnstelle ausländische Streitkräfte*) (CSD-FFPO) in cooperation with the organizations of the United States (U.S.) Air Force in Germany relative to payroll operations for local national (LN) employees administered by a U.S. Air Force Civilian Personnel Flight (CPF) under the terms of the Collective Tariff Agreement, 16 December 1966 for the Employees of the Sending States Forces in the Federal Republic of Germany (CTA II). This publication does not apply to Air Force Reserve Command (AFRC) or the Air National Guard (ANG) units. Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with Air Force Manual (AFMAN) 37-123 (will convert to AFMAN 33-363), *Management of Records*, and disposed of in accordance with the Air Force Records Disposition Schedule (RDS) located in AFRIMS (AF Portal).

SUMMARY OF CHANGES

This document is substantially revised and must be completely reviewed. The revision reflects the change of the time and attendance program from TALON to Local National Time and Attendance Program (LNTAP) serving as the basis for the payroll administration (paragraph 3.); newly describes responsibilities (paragraph 1.3.) and procedures regarding data feedback (paragraph 1.5.), tariff increases (paragraph 2.3.), provision of and accounting for funds (paragraph 4.), and reimbursements (paragraph 5.); deletes provisions regarding temporary duty and orders of attachment; includes editorial changes and updates office designations of responsible offices of the U.S. Air Force as well as the German administration offices throughout the document as follows: HQ USAFE Civilian Personnel, DPC to HQ USAFE/A1C; 26 Accounting & Finance Squadron (26 AFS) to Defense Finance and Accounting Service (DFAS); Office of Defense Cost (ODC) to Control and Services Directorate/Foreign Forces Payroll Office (CSD-FFPO); Labor Office (*Arbeitsamt*) to Labor Agency (*Agentur für Arbeit*).

1. GENERAL.

1.1. **Purpose.** This instruction establishes policies and procedures for cooperation between the Rhineland-Palatinate Controlling and Service Directorate (*Aufsichts- und Dienstleistungsdirektion*), Foreign Forces Payroll Office (*Lohnstelle ausländische Streitkräfte*) (CSD-FFPO), and the U.S. Air Force organizations as they relate to payments to LN employees in Germany, as well as the representation of the U.S. Air Force in labor litigation.

1.2. **Policy.** The representatives of the CSD-FFPO and the organizations of the U.S. Air Force will cooperate professionally, closely, and trustfully to ensure timely and accurate performance of payroll functions.

1.3. Responsibilities.

1.3.1. Management will:

1.3.1.1. Ensure their respective organizational elements cooperate professionally with the CSD-FFPO.

1.3.1.2. Refrain from giving instructions to the CSD-FFPO. CSD-FFPO operates according to the German public service rules.

1.3.2. HQ USAFE/A1C will:

1.3.2.1. Resolve problems in the cooperation between the U.S. Air Force and the CSD-FFPO.

1.3.2.2. Review and, in cooperation with the Rhineland-Palatinate Ministry of the Interior and for Sports (RP-ISM), decide upon doubtful personnel or pay actions reported by the CSD-FFPO.

1.3.2.3. Review and decide upon requests for overtariff supplements (OTS) in coordination with Headquarter United States Army in Europe/ Seventh Army (HQ USAREUR/7A) and the Federal Ministry of Finance (FMF), as appropriate.

1.3.3. CPFs will:

1.3.3.1. Serve as the primary point of contact for the CSD-FFPO and perform liaison functions with the serviced organizations, to ensure proper exchange of information.

1.3.3.2. Report problems encountered with the CSD-FFPO services through official channels to HQ USAFE/A1C.

1.3.4. The Defense Finance and Accounting Service, Europe (DFAS-EUR) and the responsible Nonappropriated Fund (NAF) Accounts Payable Offices will:

1.3.4.1. Provide CSD-FFPO in a timely manner with sufficient funds to ensure correct payments of earnings.

1.3.4.2. Serve as the primary point of contact for the CSD-FFPO for finance and accounting matters regarding appropriated fund (AF) and nonappropriated fund (NAF) payroll obligations.

1.3.5. Resource Management Offices:

1.3.5.1. Verify that the following data are entered correctly on USAFE Form 52, *Request for Personnel Action - Non-US (Germany)* (electronically in Defense Civilian Personnel Data

System (DCPDS)): Personnel Accounting System (PAS) Code, Manpower Position Control Number (MPCN), Accounts Title (Operating Budget Activity Number (OBAN)/Fund Code (FC)/Budget Activity Code (BA)), Fiscal Station Number (FSN), Responsibility Center/Cost Center (RC/CC), and Program Element Code (PEC).

1.3.5.2. Furnish information concerning changes of above (paragraph 1.3.5.1.) data to the CPF for forwarding to the CSD-FFPO.

1.3.6. Controlling and Service Directorate, Foreign Forces Payroll Office will:

1.3.6.1. Cooperate closely and trustfully with U.S. Air Force organizations, in particular with the CPFs and the Resource Management Offices.

1.3.6.2. Provide services in accordance with the administrative agreements on the performance of administrative work for the area of the Foreign Forces, as well as mutually agreed instructions or policies.

1.3.6.3. Advise HQ USAFE/A1C of problem areas in the cooperation with U.S. Air Force organizations.

1.3.6.4. Review documentation received from U.S. Air Force for obvious errors, and correct them in close coordination with the requester.

1.3.6.5. Effect payments as requested by the appropriate authorities of the U.S. Air Force. Unusual or doubtful personnel or payment authorizations will be reported immediately to HQ USAFE/A1C. Such payments will be suspended until United States Air Forces in Europe (USAFE) has decided on how to proceed.

1.3.6.6. Report requests for overtariff supplements (OTS) to HQ USAFE/A1C in case no prior Headquarters approval was granted (re paragraph 1.3.2.3. above). CSD-FFPO will not honor OTS requests unless HQ USAFE/A1C approval is granted.

1.3.6.7. Perform liaison function with health and retirement insurance carriers and labor agencies.

1.3.6.8. Act on behalf of the U.S. Air Force in Rhineland-Palatinate in lawsuits in accordance with Article 1, Paragraph (2) (e) of the *Administrative Agreement implementing Art 56, Paragraph (10) of the Agreement to Supplement the Agreement between the Parties of the North Atlantic Treaty Regarding the Status of their Forces with Respect to Foreign Forces Stationed in the Federal Republic of Germany, dated 3 August 1959*, concluded between the FMF and HQ USAREUR, 20/30 October 1995. (Representation in lawsuits outside Rhineland-Palatinate is assigned to law firms selected by the U.S. Forces in coordination with the FMF). (Refer to USAFEI 36-722, *Labor Litigation Non-US Citizen Employees (Germany)* for details).

1.4. Service Requests.

1.4.1. HQ USAFE/A1C reserves the right to request CSD-FFPO services not covered under this instruction.

1.4.2. If USAFE organizations require special services not covered by this instruction, they will route a corresponding request with justification through the CPF to HQ USAFE/A1C. If requests are considered justified, HQ USAFE/A1C will coordinate proceedings with the Rhineland Palatinate Ministry of Interior (RP-MoI) and inform the requester.

1.5. **Monthly Payroll Data Feedback.** By the end of each month, CSD-FFPO will provide the U.S. Air Force the data of the last payroll run. HQ USAFE/A1C will evaluate the data for personnel cost factors and other personnel management reports and clarify questions and problems in close cooperation with the CSD-FFPO and/or the RP-ISM. Discrepancies concerning individual employees may be resolved directly between the local CPFs and the CSD-FFPO.

1.6. **Contingency Planning.** The CSD-FFPO has agreed to accept manual AE Form 690-99B, *German Time and Attendance Report* if an emergency causes technical problems preventing electronic submission of the data.

1.7. **Official Language.** Unless agreed upon differently in individual cases, correspondence between CSD-FFPO and U.S. Air Force organizations will be in German.

2. PERSONNEL ACTIONS.

2.1. **Initiation of Personnel Actions.** Personnel actions will be initiated by the employing organization on a Request for Personnel Action (RPA). The CPF will generate an AF Form 825, *Notification of Personnel Action/Bestätigung einer Personalmaßnahme (Non-US (Germany))*, and forward it to the CSD-FFPO.

2.2. Appointments and Separations.

2.2.1. Upon appointment, CSD-FFPO will register employees with the insurance carriers (e.g., social insurance, group life insurance).

2.2.2. Upon separation or retirement, CSD-FFPO will de-register the employee from respective insurance carriers and issue the required documents. In particular, CSD-FFPO will issue:

2.2.2.1. The group life insurance certificate.

2.2.2.2. The pertinent documents for the labor agency or retirement insurance carriers; they will be forwarded to the CPF for completion.

2.2.3. Upon employee separation, the CPF will:

2.2.3.1. Inform the CSD-FFPO if an employee is ineligible for indemnity payments by entry of the respective remark on AF Form 825.

2.2.3.2. Respond to inquiries from the labor agency or retirement insurance carriers forwarded by the CSD-FFPO.

2.2.4. The employing organization will provide the separating employee an annual leave statement in accordance with Article 6 (2), *Federal Leave Act*.

2.3. Tariff Increases.

2.3.1. The CSD-FFPO will automatically affect regular tariff increases based on pay schedules provided by the FMF. The CPF will follow up with corresponding personnel actions documenting the implemented tariff increase.

2.3.2. For pay increases involving individual manual adjustments (e.g., overtariff supplements and incumbency allowances), the CPF will complete an AF Form 825 and forward it to the CSD-FFPO.

3. COMPUTATION AND DISBURSEMENT OF MONTHLY PAYMENTS.

3.1. Wage and Salary Administration.

3.1.1. A listing of payroll services provided by the CSD-FFPO is contained in the Administrative Agreement between the FMF and HQ USAREUR (re: paragraph 1.3.6.8.).

3.1.2. Instructions for the Time and Attendance Reporting procedures using the LNTAP program are contained in USAFE Instruction 36-709, *Time and Attendance Reporting for Non-US Citizen Employees*.

3.2. **Health Insurance Information.** CSD-FFPO will immediately forward information received from social insurance carriers regarding the sick status of an employee (e.g., paid or unpaid sick leave, cure leave, accident) to the employing organization.

3.3. Disbursement of Earnings.

3.3.1. CSD-FFPO will transfer earnings into the employee's bank account no later than the last banking day for the respective month.

3.3.2. If the CSD-FFPO cannot enter the data of a new employee into the payroll system prior to the monthly payroll cutoff date the employee will receive an advanced partial payment based on the estimated income.

3.3.3. If an employee was underpaid by more than _100 by fault of the CSD-FFPO or a U.S. Air Force organization, the CSD-FFPO will disburse the appropriate amount separately.

3.4. **Awards Payments.** Payment of awards/bonuses is based on individual requests submitted by the CPF. They will be disbursed together with the monthly earnings. No separate payments (e.g. checks) will be affected.

3.5. **Pay Statements.** Pay statements will only be generated if the earnings for the respective month deviate from the earnings for the preceding month. The CSD-FFPO will mail pay statements to the address provided on the AF Form 825.

4. PROVISION OF AND ACCOUNTING FOR FUNDS.

4.1. Provision of Funds.

4.1.1. The CSD-FFPO will prepare the requests for funds required to cover wages/salaries, taxes, social security contributions, and travel expenses for the current month and will forward a single copy to the servicing finance office.

4.1.1.1. Amounts required for wage/salary advances from appropriated funds or non-appropriated funds will be requested on form F 2-70, *Fund Requirements for Local National Payrolls* from the servicing finance office.

4.1.1.2. Amounts required for travel advances from appropriated funds or non-appropriated funds will be requested on form F 2-70a, *Fund Requirements for Travel Expenses* from the servicing finance office.

4.1.1.3. The forms (F 2-70 and F 2-70a) will be provided by the CSD-FFPO.

4.1.2. CSD-FFPO will obtain advance payments based on funds requests from DFAS-EUR for organizations funded with U.S. Air Force and Department of Defense (DoD) appropriated funds, and from the responsible NAF Accounts Payable Offices for organizations funded with nonappro-

priated funds. Balances not disbursed for the previous month will be indicated on form F 2-70 when requesting the advance for the current month.

4.1.3. The servicing finance office will initiate bank transfers in Euro currency from the military banking facility (MBF) to the CSD-FFPO bank account indicated on forms F 2-70 and F 2-70a. Bank transfers will be accomplished in a manner ensuring timely credit entry on the CSD-FFPO account. In detail, the amounts in paragraph 4.1.1.1. are composed as follows:

Table 1. Money from appropriated funds.

Type of advance payment	CSD-FFPO funding request	CSD-FFPO due date
a) Social security contributions	First workday following the 9th day of the current calendar month	6 bank workdays - Not later than (NLT) 1000 - before the last workday of the month (section 23 Social Security Code IV)
b) Payroll costs; e.g., net wages, attachment amounts, payments for property accrual, group life insurance	First workday following the 9th day of the current calendar month	3 bank workdays - NLT 1000 - before disbursement day (section 22 paragraph 1 CTA II)
c) Final payment payroll costs for the current month; e.g., wage taxes, church taxes, solidarity tax contribution	Within 3 workdays following completion of payroll processing for the current month	3 bank workdays - NLT 1000 - before the legal deadline 10th calendar day of the following month (section 41a Income Tax Law)
Other advance payments upon explicit request from the CSD-FFPO; e.g., tariff increases	Request of funds by CSD-FFPO as required	As specifically requested by the CSD-FFPO

4.1.3.1. Money from nonappropriated funds. In deviation from above procedures, the social security contributions, payroll costs, and final payroll costs for the current calendar month will be requested in a single amount for the first workday following the 9th calendar day of the current calendar month. Payment is due 6 workdays - NLT 1000 - before the last workday of the month.

4.1.4. The CSD-FFPO also requires funds (reserve funds) in order to effect payments between the monthly funding requests (e.g., partial payments for newly hired employees, other payments that are due prior to the due dates listed above). The amount of these reserve funds will be determined by mutual agreement between the headquarters of the respective force and the CSD-FFPO and be regularly reevaluated and adjusted as appropriate. These reserve funds are listed on the respective compilations of receipts and expenses.

4.1.5. The form SF 1034, *Public Voucher for Purchases and Services Other Than Personal* will be used for the disbursement. In connection with the bank transfer, DFAS-EUR/NAF will forward a copy of the funding requests F 2-70 and F 2-70a, together with a copy of the respective MBF Euro currency transfer order and payment voucher, SF 1034, to the CSD-FFPO.

4.2. Accounting for Funds.

4.2.1. Upon receipt of the final payment, the CSD-FFPO will compile a list of receipts and expenses at the beginning of the following calendar month and will forward it to the servicing finance office.

4.2.2. Upon receipt of these documents, DFAS-EUR (for appropriated funds) and the responsible NAF office will perform an administrative review to verify that the amounts furnished by the CSD-FFPO correspond to the data provided electronically. In the event of discrepancies, DFAS-EUR/NAF will coordinate with the CSD-FFPO to identify the causes of the discrepancies and initiate corrective action if the discrepancies were caused by U.S. Air Force procedures.

4.2.3. The CSD-FFPO will cooperate with DFAS-EUR/NAF and take the necessary corrective measures if discrepancies are determined to be caused by CSD-FFPO procedures or systems.

5. REIMBURSEMENT TO THE U.S. AIR FORCE.

5.1. **General.** Reimbursements covered by this section will be credited to the payroll accounts they were originally paid from.

5.2. Collection of Overpayments.

5.2.1. To the extent possible, CSD-FFPO will collect overpayments by deduction from the following month's pay.

5.2.2. Payments that cannot be retrieved as prescribed in paragraph 5.2.1. will be recovered in accordance with the principles governing the collection of overpayments from German Federal Government public servants established by the Federal Ministry of Interior (FMI) and Article 49, CTA II, Preclusive Time Limits.

5.2.3. CSD-FFPO will inform HQ USAFE/A1C of any changes of the FMI collection policy.

5.3. Claims Against Employees.

5.3.1. Upon receipt of a request for collection, the CSD-FFPO will inform the requesting agency, in writing, of the date of commencement of collection. Orders of attachment against the same employee, received by the CSD-FFPO before the U.S. Air Force's request, will take precedence and may delay payroll deductions. The CSD-FFPO will inform the requesting agency if collection cannot be continued due to termination of employment.

5.3.2. The collected amounts will be handled as credit entries.

5.3.3. When an employee is dismissed for property offenses (e.g., theft, fraud), the monetary damage caused by intentional, unlawful acts will be offset against any payment still due the employee. The employing organization will request, through the CPF, that the CSD-FFPO withhold the amount claimed by the U.S. Air Force from payments due to the employee. Collected amounts will be handled as credit entries.

5.4. **Third Party Liability/Reimbursements.** Information concerning the liable party in case of unfitness for work caused by a third party will be provided to the CSD-FFPO by means of a Declaration of Assignment. The CSD-FFPO will provide the preprinted form of the Declaration of Assignment. Amounts received in accordance with the provisions of Article 30 CTA II, Sick Pay in Case of Third Party Liability, will be handled as credit entries. The same applies to the reimbursement of employer contributions to maternity benefits from the health insurance. The employing organizations

will inform the CSD-FFPO immediately of employment prohibition for female employees so that reimbursement entitlements may be claimed.

5.5. Forms Adopted. AF Form 825, *Notification of Personnel Action/Bestätigung einer Personalmaßnahme (Non-US (Germany))*; SF 1034, *Public Voucher for Purchases and Services Other Than Personal*; USAFE Form 52, *Request for Personnel Action -Non-US (Germany)*; AE Form 690-99B, *German Time and Attendance Report*; F 2-70, *Fund Requirements for Local National Payrolls*; F 2-70a, *Fund Requirements for Travel Expenses*.

JOHNNIE SEWARD, Colonel, USAF
Director, Manpower and Personnel

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

AFPD 36-7, Employee and Labor-Management Relations, 11 January 1994

USAFEI 36-709, *Time and Attendance Reporting for Non-US Citizen Employees*, 12 January 2006

USAFEI 36-722, *Labor Litigation Non-US Citizen Employees (Germany)*, 30 July 2004

Article 56, Supplementary Agreement to the North Atlantic Treaty Organization (NATO) Status of Forces Agreement

Administrative Agreement Implementing Article 56, Paragraph (10) of the Agreement to Supplement the Agreement between the Parties to the North Atlantic Treaty Regarding the Status of their Forces with Respect to Foreign Forces Stationed in the Federal Republic of Germany, dated 3 August 1959 (as of October 1995)

CTA II, *Collective Tariff Agreement for the Employees of the Sending States Forces in the Federal Republic of Germany*

Bundesurlaubsgesetz (Federal Leave Act)

Einkommenssteuergesetz (Income Tax Law)

Sozialgesetzbuch IV (Code of Social Laws IV)

Abbreviations and Acronyms

AF—Appropriated Funds

BA—Budget Activity

CPF—Civilian Personnel Flight

CSD-FFPO—Control and Services Directorate-Foreign Forces Payroll Office

CTA II—Collective Tariff Agreement for the Employees of the Sending States Forces in the Federal Republic of Germany

DCPDS—Defense Civilian Personnel Data System

DFAS-EUR—Defense Finance and Accounting Service, Europe

FC—Fund Code

FMF—Federal Ministry of Finance

FMI—Federal Ministry of the Interior

FSN—Fiscal Station Number

ISM-RP—Rhineland Palatinate Ministry of the Interior and for Sports

LN—Local National

LNTAP—Local National Time and Attendance Program

MBF—Military Banking Facility

MPCN—Manpower Position Control Number

NAF—Nonappropriated Funds

OBAN—Operating Budget Activity Number

ODC—Office of Defense Cost

OTS—Overtariff Supplements

PAS—Personnel Accounting System

PEC—Program Element Code

RC/CC—Responsibility Center/Cost Center

RPA—Request for Personnel Action

U.S.—United States

USAFE—United States Air Forces in Europe

USAREUR—United States Army, Europe