

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

AIR FORCE INSTRUCTION 34-301

1 JULY 2019



Services

**NONAPPROPRIATED FUNDS
PERSONNEL MANAGEMENT AND
ADMINISTRATION**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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RELEASABILITY: There are no releasability restrictions on this publication

OPR: AF/A1CM

Certified by: SAF/MRM
(Mr. Jeffrey R. Mayo)

Supersedes: AFI34-301, 3 June 2019

Pages: 27

This instruction implements Air Force (AF) Policy Directive 34-3, *Nonappropriated Funds Personnel Management and Administration*, DoD Directive 1401.3, *Department of Defense Nonappropriated Fund (NAF) Employee Whistleblower Protection*, DoD Instruction 1400.25, Volume 1404, *Department of Defense Civilian Personnel Management System: Nonappropriated Fund (NAF) Performance Management Program*, DoD Instruction 1400.25, Volume 1406, *Department of Defense Civilian Personnel Management System: Nonappropriated Fund (NAF) Attendance and Leave*, DoD Instruction 1400.25, Volume 1407, *Department of Defense Civilian Personnel Management System: Nonappropriated Fund (NAF) Classification*, DoD Instruction 1400.25, Volume 1417, *Department of Defense Civilian Personnel Management System: Civilian Transition Program for Nonappropriated Employees*, and DoD Instruction 5120.39, *Department of Defense Wage Fixing Authority-Appropriated Fund and Nonappropriated Fund Compensation Programs*. This instruction only applies to Air Force nonappropriated fund employees and prescribes the principles and procedures that govern the management and administrative actions of nonappropriated funded employees and does not apply to active duty military, Air National Guard, and Air Force Reserve units; employees of private organizations; AF appropriated fund civilians; independent contractors; individuals who work for contractors and concessionaires; certain local and third-country national employees; and Army and AF Exchange Service employees. Refer recommended changes and questions about this publication to the Office of Primary Responsibility (OPR) listed above using the AF Form 847, Recommendation for Change of Publication; route Air Forms 847 from the field through the appropriate chain of command. Ensure that 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 Disposition Schedule (RDS) in the Air Force Records Information Management System (AFRIMS). The use of the name or mark of any specific manufacturer, commercial product, commodity, or service in this publication does not imply endorsement by the Air Force. (T-1). The authorities to waive wing/unit level requirements in this publication are identified with Tier (“T-0, T-1, T-2, and T-3”) number following the compliance statement. See Air Force Instruction (AFI) 33-360, Publications and Forms Management, for a description of the authorities associated with the Tier numbers. Submit requests for waivers via AF Form 679, *Air Force Publication Compliance Item Waiver Request/Approval*, through the chain of command to the appropriate Tier waiver approval authority, or alternately, to the Publication Office of Primary Responsibility for non-tiered compliance items. This Instruction requires the collection and or maintenance of information protected by the Privacy Act of 1974 authorized by Title 10 United States Code Section 8013, Secretary of the AF; Powers and Duties and Executive Order 9397 Numbering System for Federal Accounts Relating to Individual Persons, as amended. The applicable SORN F034 AF SVA B, Non-appropriated Fund (NAF) Civilian Personnel Records-Manpower is available at:

<http://dpclo.defense.gov/Privacy/SORNs.aspx>

SUMMARY OF CHANGES

This instruction has been substantially changed and must be completely reviewed. Major changes include: Inclusion of new DoD Directives and Instructions for Nonappropriated Fund employees, changes in office symbols, updates to responsibilities and authorities, and related publications.

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Chapter 1

OVERVIEW

1.1. Maintaining a productive work environment in which management and employees comply with standards of conduct and responsibilities is essential to: The effective functioning of the AF and accomplishment of its national security mission.

1.2. AFD 34-3 establishes nonappropriated fund personnel policy for staffing, employee-management relations, classification, labor-management relations, civilian conduct, discipline and adverse actions, and agency grievance and appeal procedures. This AFI provides guidance to implement that policy and directs that civilian management officials, supervisors, and employees will perform official duties lawfully and comply with ethical standards of conduct.

Chapter 2

ROLES AND RESPONSIBILITIES

2.1. The Deputy Chief of Staff for Manpower, Personnel, and Services (HAF/A1). Develop, coordinate, and execute nonappropriated fund civilian personnel policy and essential procedural guidance for the management of programs in this Instruction.

2.2. Director, Civilian Force Management Directorate (HAF/A1C).

2.2.1. Under the authority and direction of the HAF/A1, direct development and implementation of the civilian nonappropriated fund personnel program.

2.2.2. Ensure compliance with the law and DoD regulations.

2.2.3. Designated as waiver authority for the civilian nonappropriated fund personnel program. (T-1).

2.3. Compensation and Workforce Management Division (HAF/A1CM).

2.3.1. Develop AF-wide policy and guidance for nonappropriated fund civilian personnel policy.

2.3.2. Provide guidance on provisions of this Instruction.

2.3.3. Monitor programs and assess implementation to ensure compliance with this Instruction.

2.4. Air Force Services Agency, Human Resources & Benefits Division (AFSVA/SVXH).

2.4.1. Provide operational guidance and policy interpretation.

2.4.2. Advise and educate managers, supervisors, employees, employee representatives, and any other officials or authorized personnel on the provisions of the program.

2.4.3. Coordinate with Major Command offices for developing initiatives.

2.4.4. Provide support and guidance and serve as point of contact for questions.

2.5. Major Commands (MAJCOM).

2.5.1. Provide supplemental procedures as needed.

2.5.2. Advise and assist Human Resources Officers.

2.6. Commanders and Directors.

2.6.1. Implement civilian nonappropriated fund personnel programs within their organizations that comply with legal and regulatory requirements.

2.6.2. Communicate to civilian employees the overall expectations governing civilian conduct and responsibilities.

2.7. Force Support Squadron, Force Development Flight.

2.7.1. Assist commanders, managers, and supervisors in administering the nonappropriated fund civilian personnel training program.

2.7.2. Ensure if nonappropriated funds are used for tuition, travel, per diem, or other fees relating to training, an employee must sign a nonappropriated fund service and reimbursable agreement in accordance with Air Force Manual 34-310, prior to engaging in training.

2.8. Human Resources Office.

2.8.1. Assist commanders, managers, and supervisors in administering the nonappropriated fund civilian personnel program. **(T-3)**.

2.8.2. Ensure all personnel actions comply with law, regulation, and policy. (T-1).

2.8.3. Coordinate with Staff Judge Advocate Office on disciplinary and adverse actions. (T-1).

2.8.4. Assist leadership in all aspects of nonappropriated fund civilian personnel policy. **(T-1)**.

2.9. Supervisors.

2.9.1. Promote good employee-management relations by providing employees with constructive feedback and by documenting counseling sessions with employees. (T-3).

2.9.2. Create a work environment free from unlawful discrimination because of race, color, national origin, age (40 or older), religion, sex (including pregnancy, gender identity, and sexual orientation), disability, genetic information or reprisal for previous EEOC activity. **(T-0)**.

2.9.3. Keep employees informed of rules, regulations, and standards of conduct, and maintain conduct and discipline according to policy and established procedures. (T-3).

2.9.4. Gather, analyze, and carefully consider available facts and circumstances before taking or recommending disciplinary action. (T-3).

2.9.5. Discipline and counsel employees individually while respecting the privacy interests of the employee. (T-3).

2.9.6. Contact Human Resources Office for guidance concerning courses of action. **(T-2)**.

2.10. Employees.

2.10.1. Responsibly discharge assigned duties.

2.10.2. Respect the administrative authority of those directing their work.

2.10.3. Observe laws, regulations, and policies governing employee conduct and responsibility.

Chapter 3

GENERAL INFORMATION

3.1. Legal Status of Nonappropriated Fund Civilian Employees. In accordance with DoD Instruction 1400.25, Volume 1401, *Department of Defense Civilian Personnel Management System: General Information Concerning Nonappropriated Fund (NAF) Personnel Policy* and DoD Instruction 1400.25, Volume 1403, *Department of Defense Civilian Personnel Management System: Nonappropriated Fund (NAF) Employment*, Nonappropriated Fund employees are Federal employees within the DoD but are not subject to the same personnel laws administered by the Office of Personnel Management for Appropriated Fund employees. Title 5 United States Code Section 2105(c) explains this nonappropriated fund employee status and identifies the Official of Personnel Management-administered laws that cover nonappropriated fund employees unless otherwise specifically stated in law.

3.2. Types of Appointments. The AF hires nonappropriated fund employees as either “regular” or “flexible” employees. Regular employees are members who are hired either in a part-time or full-time status with regular work schedules. Flexible employees are hired to fill positions with irregular schedules, which are not on a continuous basis. Both types of employment can be on a limited-term basis and hiring organizations should post a work schedule for all employees.

3.3. Quality Assessment. The Air Force Services Activity (AFSVA) and installation commanders assess the Nonappropriated Fund personnel program in accordance with Air Force Manual 34-312. (T-3).

3.4. Preparing and maintaining NAF Personnel Records.

3.4.1. The Nonappropriated Fund Human Resources Office located in the Force Support Squadron, Mission Support Group, maintains central custody of all hard copy Standard Form 66, *Official Personnel Folder*, Standard Form 66-C, *Merged Records Personnel Folder*, and Standard Form 66-D, *Employee Medical Folder*. Preparation, maintaining, safeguarding, and disposing of all records and forms used for personnel administration is in accordance with DoD 5400.7-R_AF Manual 33-302, *Freedom of Information Act Program*, AF Instruction 33-332, *Air Force Privacy and Civil Liberties Program*, and the Air Force Records Information Management System. Nonappropriated Fund Human Resources Offices do not set up any other personnel records and forms other than those required by this instruction. (T-3).

3.4.2. In addition to maintaining hard copy personnel records, Nonappropriated Fund Human Resources Offices use the Defense Civilian Personnel Data System to establish and maintain employee and position data. This data system is operated at all levels of the AF.

3.4.3. The Official Personnel Folder (OPF) contains records which accurately show an employee's most essential information from date of employment to date of separation. Nonappropriated Fund Human Resources Offices:

3.4.3.1. Prepare and maintain an OPF for each employee.

3.4.3.2. File documents in an employee's OPF according to long-term or temporary retention.

3.4.3.3. File long-term documents on the right side of the OPF and temporary documents on the left side of the OPF.

3.4.4. Supervisors will maintain an employee work folder for all employees to document significant events and discussions concerning employee performance, recognition, and conduct. Supervisors at higher levels do not keep duplicate sets of records.

3.5. Employee Medical Folder. The Nonappropriated Fund Human Resources Office maintains a nonappropriated employee medical folder containing occupation related medical records not maintained by a medical facility. **(T-3).**

3.6. Merged Records Personnel Folder. The Nonappropriated fund Human Resource Office creates a merged record personnel folder for nonappropriated fund employees moving between civil service and nonappropriated fund employment. The folder should retain records from all nonappropriated and civil service employments and if available, records from other employment systems.

3.7. Releasing Information From Personnel Folders. The *Privacy Act*:

3.7.1. Gives employees the right to:

3.7.1.1. Know what personnel records the AF collects, maintains, and distributes.

3.7.1.2. Correct and amend their personnel records.

3.7.2. Requires AF officials to comply with DoD 5400.7-R_AF Manual 33-302 and AFI 33-332 when:

3.7.2.1. Releasing information and documents in employee's personnel folders.

3.7.2.2. Amending or correcting those records.

3.7.2.3. Setting fees for providing records.

Chapter 4

EMPLOYMENT POLICIES, REQUIREMENTS, RESTRICTIONS, AND PROCEDURES

4.1. Equal Employment Opportunity. In accordance with DoD Directive 1440.1, *DoD Civilian Equal Opportunity (EEO) Program and AF Instruction 36-2706, Equal Opportunity Program Military and Civilian*, all personnel must strictly comply with Federal laws requiring Equal Employment Opportunity. Supervisors, managers and other authorities are expected to base personnel actions only on the principles of merit and qualifications, without regard to:

- 4.1.1. Race.
- 4.1.2. Color.
- 4.1.3. Sex (including pregnancy, gender identity, and sexual orientation).
- 4.1.4. Religion.
- 4.1.5. Age (40 or older).
- 4.1.6. National origin.
- 4.1.7. Disability
- 4.1.8. Genetic information.
- 4.1.9. Reprisal for previous Equal Employment Opportunity activity.

4.2. Workplace Violence Prevention and Response. In accordance with DoD Instruction 1438.06, *Department of Defense Workplace Violence Prevention and Response Policy*, all supervisors must immediately report threats of workplace violence to their management and appropriate military or civilian authorities as determined by local threat reporting protocol. Appropriate authorities may include security or safety organization, employee assistance programs (EAPs), or others as determined locally. **(T-3)**.

4.3. Employing Veterans. Applicants who meet the eligibility criteria in Title 5 United States Code Section 2108, *Veteran; Disabled Veteran; Preference Eligible*, and the minimum service requirements in the Office of Personnel Management's Guide to Processing Actions, receive hiring preference at initial appointment only, provided they are equally qualified for the vacant position. Veterans shall have employment preference over all other applicants, with the exception of military spouse and transition hiring preference applicants, and applicants on reemployment priority lists; and in foreign areas, family members of military and civilian personnel assigned to the host country, and off-duty military personnel.

4.4. Employing Relatives. Officials do not appoint, employ or promote, nor advocate for appointment, employment or promotion, of any individual who is a relative, in a civilian position or nonappropriated fund organization over which they exercise jurisdiction or control.

- 4.4.1. Official means a member of the uniformed services, and Appropriated Fund or Nonappropriated Fund employee, or any other individual who has the authority or in whom the authority has been delegated, to appoint, employ, promote, or advance individuals; or to recommend individuals for appointment, employment, promotion, or advancement, e.g., Force Support Squadron commander, Force Support Squadron deputy, and Operations Officer.

4.4.2. Relative means an individual related to the official as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, step father, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother or half sister.

4.5. Employing Minors. The employment of persons under 16 years of age is prohibited. Nonappropriated Fund Instrumentalities must comply with the Fair Labor Standards Act and State and local labor laws when employing minors.

4.6. Employing Retired United States Military Personnel. In accordance with DoD Instruction 1402.01, *Employment of Retired Members of the Armed Forces*, hiring officials give members of the uniformed services the same rights and considerations as all other applicants. In hiring retired United States military personnel, avoid:

4.6.1. Giving preferential treatment.

4.6.2. Holding positions open while awaiting their retirement.

4.6.3. Employing anyone during the period of 180 days immediately after their retirement. **EXCEPTIONS:** A retired member of the Armed Forces may be appointed to a position in the civil service in the nonappropriated fund instrumentality under the jurisdiction of the armed forces during the period of 180 days immediately after their retirement only if: A state of national emergency exists and has been declared. The proposed appointment is authorized by the Secretary of the Air Force or his designee and the appointment is to a position for which: Candidates are not available for consideration through either of the following programs: the DoD PPP, the RPL or the ICTAP for Displaced Employees; and, more highly qualified personnel are not available among the employees being considered. The Air Force Services Activity Commander is designated to act for the Secretary of the Air Force on proposed appointments or transfers to nonappropriated fund positions. **(T-2).**

4.6.4. Violating Public Law 88-448, *Dual Compensation Act*.

4.7. Employing Off-Duty Military Personnel. Hiring officials may employ off-duty enlisted military personnel in nonappropriated fund positions if:

4.7.1. The officials do not give preferential treatment.

4.7.2. The enlisted personnel must not be hired to perform duties in the same Force Support Squadron activity to which assigned while carrying out their assigned military duties.

4.7.3. Hiring officials may not employ officer military personnel in nonappropriated fund positions.

4.8. Military Spouse Preference. Hiring officials give employment preference to military spouses of active duty military members in conjunction with their military sponsor's transfer in accordance with DoD Instruction 1400.25, Volume 315, *Employment of Spouses of Active Duty Military*.

4.9. Transition Hiring Preference. Hiring officials give certain categories of involuntarily separated military members and their family members a Transition Hiring Preference in accordance with Public Law 101-510, *1991 National Defense Authorization Act*, Section 1143(d).

4.10. Selective Service Registration. Any individual who was required to register with Selective Service and who is not registered before the requirement terminated or became inapplicable to the individual, will not be appointed.

4.11. Reinstating Employees. Department of Defense (DoD) Nonappropriated Fund Instrumentalities may reinstate a former DoD Nonappropriated Fund Instrumentality regular employee who separated from Nonappropriated Fund Instrumentality employment. Any Nonappropriated Fund Instrumentality may reinstate the former employee at any time after the date of the separation. A reinstatement may be noncompetitive to the same or lower grade or pay-band level previously held with a DoD Nonappropriated Fund Instrumentality.

4.12. Employing Nonappropriated Fund Annuitants. The A suspends the annuity of a retired Nonappropriated Fund employee who is rehired in a regular position for as long as the retired employee remains in a regular position.

4.13. Veteran Reemployment Rights. Nonappropriated Fund employees receive reemployment rights after military service in accordance with Title 38 United States Code, Chapter 43, *Employment and Reemployment Rights of Members of the Uniformed Services*.

4.14. DoD and Office of Personnel Management Interchange Agreement. In accordance with the agreement between the DoD and Office of Personnel Management, employees serving in Nonappropriated Fund Instrumentalities may be appointed to positions in the competitive civil service, and employees serving in positions in the competitive civil service may be appointed to Nonappropriated Fund Instrumentalities positions.

4.15. Employing in Foreign Areas.

4.15.1. While AF policies for employing nonappropriated fund personnel in the United States apply to United States citizens or United States nationals in foreign areas, they must not conflict with:

4.15.1.1. Existing treaties.

4.15.1.2. Agreements with host countries.

4.15.1.3. Nonappropriated Fund Instrumentalities in foreign areas employ non-United States citizen employees according to:

4.15.1.4. The customs and practices in those areas.

4.15.1.5. The terms of country-to-country agreements and directives.

4.15.2. Nonappropriated Fund Instrumentalities employ civilian personnel in overseas areas in accordance with DoD Instruction 1400.25, Volume 1412, *Nonappropriated Fund (NAF) Overseas Allowances and Differentials and Employment in Foreign Areas*.

4.16. Procedures.

4.16.1. Establishing Positions. Many standardized position guides/standardized position descriptions applicable to common nonappropriated fund positions across the AF have been developed for use. Using Standard Position Descriptions and Standard Position Guides does not eliminate the requirement for an adequate description of the local position. Decisions concerning their use and the classification of positions are made at the installation level. (T-3).

4.16.2. AF managers and supervisors establish positions by writing a position description and/or position guide that contain(s):

- 4.16.2.1. An accurate description of duties and responsibilities.
- 4.16.2.2. Realistic qualification requirements.
- 4.16.2.3. Measurable performance standards.
- 4.16.2.4. Training requirements.

4.16.3. Employment requirements for nonappropriated fund positions include:

- 4.16.3.1. Complying with provisions of Public Law 88-448 and Public Law 99-603, Immigration Reform and Control Act of 1986.
- 4.16.3.2. In accordance with DoD 5200.2-R, *Personnel Security Program*, DoD Instruction 1400.25, Volume 731, *DoD Civilian Personnel Management System: Suitability and Fitness Adjudication for Civilian Employees* and DoD Instruction, 1402.05, *Background Checks on Individuals in DoD Child Care Services Program*, obtain the required background investigation for the position.
- 4.16.3.3. Favorably completing a Tier 1 investigation, Installation Records Check and State Criminal History Repository Check.

4.16.4. Methods of Filling Positions. Hiring officials may fill Nonappropriated Fund Instrumentality positions by:

- 4.16.4.1. Promoting employees.
- 4.16.4.2. Reassigning employees.
- 4.16.4.3. Detailing employees.
- 4.16.4.4. Changing employees to a lower grade or pay band.
- 4.16.4.5. Reemploying former employees.
- 4.16.4.6. Recruiting employees from outside sources.

4.16.5. Applicant Supply File. The NAFJOBS web-based system is the AF nonappropriated fund centralized automated applicant supply file.

4.16.6. Probationary Periods. Probationary periods are required for individuals when employed in a regular position without time limits. The lengths of probationary periods are:

- 4.16.6.1. Six months for pay bands NF-I and NF-II, and non-supervisory Crafts and Trades employees.
- 4.16.6.2. Twelve months for pay bands NF-III through NF-VI, and Child Development and Youth program employees.
- 4.16.6.3. Twelve months for initial appointment to a supervisory and/or managerial position.

Chapter 5

POSITION CHANGES AND SEPARATIONS

5.1. Details. A detail is a temporary assignment of an employee to a different position for up to 60 days without a change in pay. Employees return to their original position at the end of a detail.

5.2. Reassignments. Managers may reassign employees within the organization to promote efficiency.

5.2.1. Managers may reassign Crafts and Trades employees to other positions without changing the:

5.2.1.1. Employment category.

5.2.1.2. Pay plan.

5.2.1.3. Grade.

5.2.1.4. Guaranteed hours.

5.2.1.5. Rate of pay.

5.2.2. Managers may reassign pay band employees to other positions without changing the:

5.2.2.1. Employment category.

5.2.2.2. Pay band.

5.2.2.3. Guaranteed hours.

5.2.3. Managers may adjust a pay band employee's pay upward if the position has increased responsibilities.

5.3. Reassignments. Managers and supervisors may make temporary reassignments under the same conditions as reassignments. They must last at least two pay periods, but not longer than 6 months. ***Exception to the six-month limitation:*** Temporary reassignments for incumbents selected for the NAF Career Broadener Program may be processed for a 12-month period to a position for which the employee will gain eligibility for career enhancement.

5.4. Promotions. A promotion is the change of an employee from one grade or pay band to a higher grade or pay band. Employees usually compete for promotions, and must meet the qualifications for the new position. An employee's pay is adjusted upward upon promotion.

5.5. Temporary Promotions. Managers and supervisors may make temporary promotions of qualified employees. These promotions:

5.5.1. May be noncompetitive.

5.5.2. Must last at least two pay periods.

5.5.3. May not exceed 6 months.

5.6. Separations. Nonappropriated Fund Instrumentality officials separate employees because of.

5.6.1. Voluntary retirement.

- 5.6.2. Voluntary resignation.
- 5.6.3. Involuntary termination of flexible employees.
- 5.6.4. Business based action procedures.
- 5.6.5. Removal for cause of regular employees.
- 5.6.6. Resignation for abandonment of position.
- 5.6.7. Death.
- 5.6.8. Failure to meet or maintain background security clearance requirements per [paragraph 4.16.3.2](#).
- 5.6.9. Conflict of interest.
- 5.6.10. Disability, that even with reasonable accommodation, still prevents the employee from performing the necessary job function.

5.7. Dissolving a Nonappropriated Fund Instrumentality. When authorities dissolve a Nonappropriated Fund Instrumentality, they must use business based action procedures to terminate or transfer employees.

5.8. Transfers of Function. A transfer of function is the transfer of the responsibility for the performance of a continuing function from one Nonappropriated Fund Instrumentality to one or more Nonappropriated Fund Instrumentalities within or between DoD components located in the same or another commuting area.

5.8.1. All transfers of function between United States Air Force Nonappropriated Fund Instrumentalities are subject to case-by-case written agreements between losing and gaining Nonappropriated Fund Instrumentalities and approval by the installation commander or commanders concerned. **(T-3)**. If movement includes one or more Nonappropriated Fund Instrumentalities at the Major Command level, one of the Air Force central Nonappropriated Fund Instrumentalities or the Air Force Civilian Welfare Fund, all fund custodians involved must concur with the Nonappropriated Fund Instrumentalities' agreement. **(T-1)**.

5.8.2. All transfers of function between United States Air Force and non-United States Air Force Nonappropriated Fund Instrumentalities are directed at Headquarters United States Air Force level. **(T-1)**.

Chapter 6

BUSINESS BASED AND DISCIPLINARY ACTIONS

6.1. Types of Business Based Actions. Nonappropriated Fund Instrumentality officials use these actions to adjust nonappropriated fund employee resources because of:

- 6.1.1. Change in business revenue.
- 6.1.2. Budget.
- 6.1.3. Workload.
- 6.1.4. Reorganization.
- 6.1.5. Mission.

6.2. Types of Business Based Actions.

- 6.2.1. A reduction in rate of pay.
- 6.2.2. A furlough of a Regular category, non-probationary Employee.
- 6.2.3. A change to lower grade or pay band level.
- 6.2.4. A change from Regular category to Flexible employment category
- 6.2.5. A change from a Regular Full-Time work schedule to Regular Part-Time work schedule
- 6.2.6. A Separation.

6.3. Processing Business Based Actions. Employees are affected by Business Based actions only if so identified after an objective, fair, and equitable ranking against other employees in the same employment category, series, grade or pay band, and nonappropriated fund organization. The ranking process considers both performance and seniority, although performance is the primary criterion.

6.3.1. All Business Based Actions require officials to provide written advance notice to the affected employees.

6.3.1.1. Regular employees receive a notice of:

6.3.1.1.1. Seven calendar days for a non-separation action.

6.3.1.1.2. Thirty calendar days for a separation.

6.3.1.2. Employees in a Nonappropriated Fund Career Program covered position receive a notice of 60 calendar days for separation.

6.3.1.3. Flexible employees receive a notice of:

6.3.1.3.1. Minimum 24 hours for a non-separation action.

6.3.1.3.2. Seven calendar days for separation.

6.3.2. Officials may place career program employees on limited Leave without Pay under certain conditions, if they do not receive placement through career program procedures within the 60-day notice period for separation.

6.4. Reemployment Priority Lists. Nonappropriated Fund Human Resources Office maintains a Reemployment Priority List to provide placement assistance to those employees separated by Business Based Actions.

6.4.1. Separated employees have:

6.4.1.1. Priority placement rights in the Nonappropriated Fund activity from which separated.

6.4.1.2. Priority consideration rights at other DoD Nonappropriated Fund activities in the commuting area.

6.4.2. Separated employees remain on the Reemployment Priority List until reemployed, or for 1 year after the date of separation, whichever occurs first.

6.5. Appeal Rights. Employees may appeal a Business Based Action if they believe management failed to follow business based action instructions and procedures in accordance with **Chapter 8** of this AF Instruction.

6.6. Severance Pay. Regular employees who involuntarily separate because of a business based action may receive severance pay if they have completed at least 12 continuous months of regular DoD nonappropriated fund service. **EXCLUSIONS:** Otherwise eligible employees shall not receive nonappropriated fund severance pay if they:

6.6.1. Are employed, without a break in service of more than 3 calendar days after separation, in another DoD nonappropriated fund Regular position, or a DoD appropriated fund position, without a time limit on the length of the appointment.

6.6.2. Have refused an offer of employment in any DoD Nonappropriated Fund Instrumentality that would not result in a rate of basic pay that is lower than the rate of basic pay received immediately before the business based action, or that would not result in a loss of employment category.

6.6.3. Are entitled to an immediate annuity that is not reduced because of the employee's age at the time of retirement.

6.6.4. Are receiving payments from the Department of Labor's Office of Workers' Compensation Programs for a job-related injury.

6.7. Disciplinary Actions. Supervisors take disciplinary actions to correct and rehabilitate an employee for misconduct.

6.7.1. Disciplinary actions include:

6.7.1.1. Oral admonishment.

6.7.1.2. Reprimand.

6.7.1.3. Termination (flexible employees only).

6.7.1.4. Suspension (regular employees only).

6.7.1.5. Demotion (regular employees only).

6.7.1.6. Removal (regular employees only).

6.7.2. Supervisors do not use suspensions and removal actions to discipline flexible employees.

6.7.3. Supervisors give all disciplinary actions in writing with the exception of oral admonishment.

6.7.4. The Force Support Nonappropriated Fund Human Resources Office helps prepare:

6.7.4.1. All letters of reprimand.

6.7.4.2. Notices of termination.

6.7.4.3. Proposed and decision letters for suspensions, demotions, and removals. The Chief, Human Resources will consult the installation legal office on proposed and decision letters for suspensions, demotions, and removals. **(T-3)**.

6.7.5. Employees may:

6.7.5.1. File a grievance in response to letters of reprimand, terminations, and suspensions.

6.7.5.2. Appeal decisions to demote or remove them.

6.8. Nonappropriated Fund Civilian Transition Program. DoD Instruction 1400.25, Volume 1417, *Department of Defense Civilian Personnel Management System: Civilian Transition Program (CTP) for Nonappropriated Fund (NAF) Employees Affected by Workforce Reductions* is designed to assist DoD Nonappropriated Fund employees during Nonappropriated Fund Instrumentality base realignment and closure actions and general workforce reduction situations. Programs for annual leave savings and hiring preferences for certain contractor jobs are applicable only during base realignment and closure actions. Programs, authorities, and policies applicable in base realignment and closure and general workforce reduction situations include:

6.8.1. Voluntary Separation Incentive Pay.

6.8.2. Voluntary Early Retirement and Discontinued Service Retirement.

6.8.3. Workforce Investment Act.

6.8.4. Extended employment for retirement and health insurance eligibility.

6.8.5. Reemployment Priority List.

6.8.6. Office of Personnel Management and Department of Defense Interchange Agreement.

6.8.7. Pay and employee benefits protection.

6.8.8. Permanent Change of Station expenses.

6.8.9. Homeowners Assistance Program

6.8.10. Severance pay.

6.8.11. Temporary continuation of health insurance.

6.8.12. Unemployment compensation.

Chapter 7

PERFORMANCE EVALUATIONS, INCENTIVE AWARDS AND TRAINING

7.1. Evaluating the Performance of Employees.

7.1.1. Supervisors develop work performance standards that are fair and objective, and record them on the employee's position guide in accordance with DoD Instruction 1400.25, Volume 1404, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Performance Management Program*.

7.1.1.1. Performance standards identify the quality, quantity, and timeliness of successful job performance.

7.1.1.2. Supervisors are expected to:

7.1.1.2.1. Make employees aware of their performance standards.

7.1.1.2.2. Objectively evaluate them on a scheduled and continuous basis.

7.1.2. Supervisors complete annual evaluations of all employees at the same time.

7.1.2.1. Supervisors may consider all employees for performance awards.

7.1.2.2. Supervisors may consider pay band employees for pay adjustments for continued excellent performance.

7.1.3. Supervisors are expected to advise employees with declining work performance in writing of their work performance deficiencies before assigning a less than satisfactory evaluation.

7.1.3.1. Regular employees receive a Performance Improvement Period of at least 30 days. The Performance Improvement Period for flexible employees is at least 7 days.

7.1.3.2. If the employee's performance remains unacceptable after the Performance Improvement Period ends, the supervisor takes one of three actions:

7.1.3.2.1. Reassigns the employee.

7.1.3.2.2. Terminates the employee (if flexible).

7.1.3.2.3. Proposes to demote or remove the employee (if regular).

7.1.4. Employees may file a grievance as a result of:

7.1.4.1. Performance evaluation.

7.1.4.2. Actions that officials take as a result of unacceptable performance.

Chapter 8

APPEALS AND GRIEVANCES

8.1. General. Employees may file an appeal or grievance to express dissatisfaction with matters relating to conditions of employment without fear of penalty or reprisal or the threat thereof.

8.1.1. At least once a year, the Chief, Human Resources:

8.1.1.1. Advises employees of appeal and grievance rights.

8.1.1.2. Defines appeal and grievance rights so that employees understand the process, how to file either complaint with the Human Resources Office and makes these procedures available for review in the Human Resources Office, the employee's work center and on the Force Support Squadron installation website.

8.1.2. Refers employee charges of alleged discrimination that arise in connection with an appeal or grievance to the installation Chief, Equal Employment Opportunity Counselor.

8.1.3. Notifies the employee in writing through an official memo of the referral to the Chief, Equal Employment Opportunity Counselor.

8.2. Grievances. A grievance is a written request made by an employee, or a group of employees acting collectively, for personal relief relating to the employment of the employee(s) which is subject to the control of management.

8.2.1. The grievance process involves three decision steps:

8.2.1.1. Step one is a decision from the employee(s) supervisor. No later than 7 days after receipt of the Step one grievance, the supervisor renders, in writing, a Step one decision. **(T-3)**.

8.2.1.2. Step two is filed with the Force Support Commander/Director no later than 7 days if employee(s) not satisfied with Step one decision. **(T-3)**.

8.2.1.3. Step three and final step is filed with the installation commander no later than 7 days if employee(s) not satisfied with Step two decision. **(T-3)**.

8.2.1.3.1. The installation commander may delegate the authority to render Step three decisions no lower than the mission support group commander.

8.2.1.3.2. The commander either (1) renders a decision on the basis of the existing grievance record or (2) appoints an impartial third party to investigate the grievance. He or she may also consult with whomever he or she believes has information relevant to the grievance, and consults with the NAF-HR before issuing a decision.

8.2.2. The decision at each step of the grievance process is in writing, and is reviewed by the Chief, Human Resources prior to issuance to the employee.

8.3. Appeals.

8.3.1. An appeal is a written request an employee makes to contest:

8.3.1.1. A demotion or removal for cause.

8.3.1.2. A business based action.

8.3.1.3. A demotion based on position classification.

8.3.2. For flexible employees, the appeal process involves two steps.

8.3.2.1. Step one is decided by the Force Support Commander/Director. **(T-3)**.

8.3.2.2. Step two is decided by the installation commander. **(T-3)**.

8.3.3. For regular employees, the appeal process involves three steps.

8.3.3.1. Step one is decided by the Force Support Commander/Director. **(T-3)**.

8.3.3.2. Step two is decided by the installation commander. **(T-3)**.

8.3.3.3. Step three is decision is made by the Major Command A1. **(T-2)**.

8.3.4. The decision at each step of the appeal process is in writing and informing the employee if he or she is not satisfied with the decision they may file an appeal at the next level. The Chief, Human Resources reviews the step one and two decisions prior to issuance to the employee.

Chapter 9

BENEFIT PROGRAMS

9.1. General. In accordance with DoD Instruction 1400.25, Volume 1408, DoD Civilian Personnel Management System: Insurance and Annuities for Nonappropriated Fund (NAF) Employees, DoD Components shall provide eligible employees a retirement system, health and life insurance, and other insurance and benefit programs.

9.2. Retirement Plan. The voluntary retirement plan is available to most regular employees.

9.2.1. The employee and employing Nonappropriated Fund Instrumentality both contribute to the retirement plan.

9.2.2. The plan is administered in accordance with AF Manual 34-302, *Nonappropriated Funds (NAF) Personnel Benefit Programs*.

9.3. 401(K) Savings Plan. The 401(K) Savings Plan is available to most regular employees.

9.3.1. Regular employees, who do not decline participation, are auto-enrolled in the Nonappropriated Fund 401(K) Savings Plan with a 1 percent employee contribution.

9.3.2. The employee and employing Nonappropriated Fund Instrumentality both contribute to the 401(K) savings plan.

9.3.3. The plan is administered in accordance with AF Manual 34-302, *Nonappropriated Funds (NAF) Personnel Benefit Programs*.

9.4. Group Life, and Accidental Death and Dismemberment, Health and Dental Insurance Programs. These voluntary plans are available to most regular employees at a moderate cost to the employee and employer.

9.4.1. The programs are administered in accordance with:

9.4.2. AF Manual 34-302, *Nonappropriated Funds (NAF) Personnel Benefit Programs*.

9.5. Flexible Benefits Plan. The Flexible Benefits Plan allows regular Nonappropriated Fund employees and retirees, who enroll in the group health plan, to pay health plan contributions with pre-tax earnings. The plan is administered in accordance with AF Manual 34-302, *Nonappropriated Funds (NAF) Personnel Benefit Programs*.

9.6. Workers' Compensation Program. Nonappropriated Fund employees are eligible for workers' compensation disability income and authorized medical expense benefits in accordance with AF Manual 34-302, *Nonappropriated Funds (NAF) Personnel Benefit Programs*.

9.7. Unemployment Compensation Program. Nonappropriated Fund employees are eligible to apply for unemployment compensation. The program is administered in accordance with AF Manual 34-302, *Nonappropriated Funds (NAF) Personnel Benefit Programs*.

9.8. Department of Defense Employee Benefit Portability Program. The program applies to employees who move between nonappropriated Fund and appropriated Fund employment systems within the DoD without a break in service of more than three calendar days. The program is administered in accordance with Public Law 101-508 Section 7202, *Portability of Benefits for Nonappropriated Fund Employees Act of 1990*.

9.9. Mass Transportation Benefit Program. DoD Components shall provide mass transportation benefits to nonappropriated fund to the extent authorized by law and regulation.

9.10. Long Term Care Insurance. Nonappropriated Fund employees and retirees are eligible for Long Term Care insurance. Employees and retirees shall pay the full cost of the premium without any subsidization by the Nonappropriated Fund employer.

SHON J. MANASCO
Assistant Secretary of the Air Force
(Manpower and Reserve Affairs)

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

DoD Directive 1400.31, *Department of Defense Civilian Work Force Contingency and Emergency Planning and Execution*, 1 December 2003

DoD Directive 1401.03, *Department of Defense Nonappropriated Fund Instrumentality (NAFI) Employee Whistleblower Protection*, 13 June 2014

DoD Directive 1440.1, *The Department of Defense Civilian Equal Employment Opportunity (EEO) Program*, 21 November 2003

DoD Directive 5500.7, *Standards of Conduct*, 29 November 2007

DoD Instruction 1400.25, *Department of Defense Civilian Personnel Management*, 3 December 1996

DoD Instruction 1400.25, Volume 315, *Department of Defense Civilian Personnel Management-Employment of Spouses of Active Duty*, 19 March 2012

DoD Instruction 1400.25, Volume 1401, *Department of Defense Civilian Personnel Management System - General Information Concerning Nonappropriated Fund (NAF) Personnel Policy*, 18 October 2011

DoD Instruction 1400.25, Volume 1403, *Department of Defense Civilian Personnel Management System: Nonappropriated Fund (NAF) Employment*, 20 March 2015

DoD Instruction 1400.25, Volume 1404, *Department of Defense Civilian Personnel Management System: Nonappropriated Fund (NAF) Performance Management Program*, 26 June 2014

DoD Instruction 1400.25, Volume 1405, *Department of Defense Civilian Personnel Management System: Nonappropriated Fund (NAF) Pay, Awards, and Allowances*, 26 June 2014

DoD Instruction 1400.25, Volume 1406, *Department of Defense Civilian Personnel Management System: Nonappropriated Fund (NAF) Attendance and Leave*, 20 March 2015

DoD Instruction 1400.25, Volume 1407, *Department of Defense Civilian Personnel Management System: Nonappropriated Fund (NAF) Classification*, 6 January 2012

DoD Instruction 1400.25, Volume 1408, *Department of Defense Civilian Personnel Management System: Insurance and Annuities for Nonappropriated Fund (NAF) Employees*, 11 July 2016

DoD Instruction, 1400.25, Volume 1412, *Department of Defense Civilian Personnel Management System: Nonappropriated Fund (NAF) Overseas Allowances and Differentials and Employment in Foreign Areas*, 20 July 2012

DoD Instruction 1400.25, Volume 1417, *Department of Defense Civilian Personnel Management System: Civilian Transition Program (CTP) for Nonappropriated Fund (NAF) Employees Affected by Workforce Reductions*, 19 June 2015

Public Law 88-448, *Dual Compensation Act*

Public Law 99-603, *Immigration Reform and Control Act of 1986* Public Law 101-510, *1991 National Defense Authorization Act* Public Law 103-3, *Family and Medical Leave Act of 1993*

Public Law 103-388, *Federal Employees Family Friendly Leave Act*

Public Law 101-508, *Portability of Benefits for Nonappropriated Fund Employees Act of 1990*

5 United States Code 552a, *Privacy Act of 1974*

5 United States Code 2105(c), *Employee Definition*

38 United States Code, Chapter 43, *Employment and Reemployment Rights of Members of the Uniformed Services*

AF Policy Directive 34-3, *Nonappropriated Funds Personnel Management and Administration*, 19 July 2012

AF Instruction 33-332, *Air Force Privacy and Civil Liberties Program*, 17 November 2016

AF Manual 34-302, *Nonappropriated Funds (NAF) Personnel Benefit Programs*, 11 June 2019

AF Instruction 36-701, *Labor Management Relations*, 6 April 2017

AF Instruction 36-2706, *Equal Opportunity Program Military and Civilian*, 5 October 2010 AF

Instruction 38-401, *Continuous Process Improvement*, 15 April 2016

DoD 5400.7-R_Air Force Manual 33-302, *Freedom of Information Act Program*, 21 October 2010

AF Manual 33-363, *Management of Records*, 1 March 2008

AF Instruction 44-121, *Alcohol and Drug Abuse Prevention and Treatment (ADAPT) Program*, 8 July 2014

Prescribed Forms

AF Form 243, *Statement of Physical Ability – NAF*

AF Form 852, *NAF Record of Training or Certificate of Equivalency*

AF Form 1001, *Award Recommendation Transmittal*

AF Form 1065, *Nonappropriated Fund (NAF) Civilian Position Description*

AF Form 1702, *Nonappropriated Fund (NAF) Position Guide*

AF Form 2545, *NAFI Notification of Personnel Action*

AF Form 2548, *NAFI Request for Personnel Action*

AF Form 2549, *Statement of Prior DoD NAF Civilian Service*

AF Form 3527, *NAF Employee Performance Evaluation*

Adopted Forms

AF Form 847, *Recommendation for Change of Publication*

Standard Form 66, *Official Personnel Folder*

Standard Form 66C, *Merged Records Personnel Folder*

Standard Form 66D, *Employee Medical Folder*

Abbreviations and Acronyms

AFI—Air Force Instruction

AFMAN—Air Force Manual

AFPD—Air Force Policy Directive

AFSVA—Air Force Services Activity

AFRIMS—Air Force Records Information Management System

DoD—Department of Defense

EAP—Employee Assistance Program

IAW—In Accordance With

OPF—Official Personnel Folder

RDS—Records Disposition Schedule

Terms

Business Based Action—a reduction in employment category or pay rate, a change to lower grade or pay band, a furlough of eight calendar days or more, or a separation action initiated by management for non-disciplinary reasons.

Demotion—Personnel action that moves an employee, while serving continuously in the same agency, (1) to a position at a lower grade or pay band, or (2) to a position with a lower rate of basic pay when both the old and the new position are under the same type ungraded wage schedule or a different pay-method category.

Cause of Action—A recognizable offense against the employee-employer relationship such as a violation of rule, regulation or procedure; employment-related off-duty misconduct; failure to fulfill an employment-related agreement; or a mandatory requirement to take an action against an employee. It is disciplinary if it results from delinquency or misconduct by the employee. (A disciplinary cause of action is also called an offense.) It is non-disciplinary, for example, if it results from the employee's disability, the employee's declination of functional transfer, or a management determination such as reclassification of the employee's position or termination of an extended temporary promotion.

Regular employee—Regular employees are members who are hired either in a part-time or full-time status with regular work schedules.

Flexible employee—Flexible employees are hired to fill positions with irregular schedules, which are not on a continuous basis.

Relative—means an individual who is related to the employee as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister in accordance with Title 5 Code of Federal Regulations 3110 (5 CFR Part 3110).