Reduction in Force (RIF) Basics

When to Use RIF Procedures

An agency must use the RIF regulations before separating or demoting an employee because of an organizational reason such as reorganization, including lack of work, shortage of funds, insufficient personnel ceiling, or the exercise of certain reemployment or restoration rights. Please refer to the Workforce Reshaping Operations Handbook | OPM and its Appendices for specific operational procedures designed to ensure that reshaping efforts comply with merit system laws and regulations.

A furlough of more than 30 calendar days, or of more than 22 discontinuous workdays, is also a RIF action. (A furlough of 30 or fewer calendar days, or of 22 or fewer discontinuous workdays, is an adverse action.)

Potential Outcomes of a RIF Action for an Employee

There are a number of potential outcomes for employees who are subject to a RIF. These outcomes include:

- Reassignment to an equivalent position
- Downgrading to a position at a lower grade level with grade and pay retention
- Separation from federal employment

Notice Period Before a RIF Action Takes Effect

An employee is entitled to a 60-day notice period prior to the effective date of a RIF action. Agencies may request OPM approval to use a shorter notice period of no less than 30 days.

Additional Notice Requirements

When an agency separates 50 or more employees by RIF from a competitive area, the agency has additional notice requirements to the bargaining unit representative, the State program authorized by the Workforce Investment Act (dislocated worker program), the chief elected government official of the local government(s), and OPM. This notification requirement does not relieve the agency of any obligations under the Federal Labor Management Relations Statute, or an applicable collective bargaining agreement(s).

Competitive Area

When preparing for a RIF, the agency defines the "***Competitive Area***" that establishes the geographical and organizational limits for RIF competition.

A competitive area may consist of all or part of an agency. The minimum competitive area is an organization in a local commuting area that is separate from other agency organizations because of differences in operation, work function, staff, and personnel administration.

Competitive Level

Within each competitive area, the agency groups interchangeable positions into "***Competitive Levels.***"

Each competitive level includes positions with the same grade, classification series, and official tour of duty (e.g., full-time, part-time, seasonal, or intermittent). For example, otherwise identical full-time and seasonal positions are placed in separate competitive levels even when the agency conducts a RIF while the seasonal employee happens to be working a full-time tour of duty.

All positions in a competitive level have interchangeable qualifications, duties, and responsibilities. The agency establishes a competitive level based on employees' official position descriptions, not on the employees' personal qualifications.

Retention Factors

The law* provides that the RIF regulations must give effect to four retention factors:

1. Tenure of employment (e.g. career, career-conditional, indefinite, temporary, term);
2. Veterans' preference (preference for RIF is different than preference for hiring);
3. Total creditable Federal civilian and uniformed service; and
4. Performance ratings.

*Congress has granted some agencies, such as DoD, a different order of retention factors.

Retention Registers

After grouping interchangeable positions into competitive levels, the agency applies the four retention factors in establishing separate "***Retention Registers***" for each competitive level that may be involved in the RIF. The terms "***Competitive Level***" and "***Retention Register***" generally have the same meaning. "***Retention Register***" is the ranking of employees in the competitive level after the agency applies the four retention factors.

Retention Standing

The four retention factors are implemented in the following order on the retention register:

1. Tenure of employment – implemented through 3 tenure groups
    a. Group I – career employees not serving a probationary period
    b. Group II - career-conditional employees and those serving a probationary period
    c. Group III – indefinite, term, status quo, or provisional employees, or any other nonstatus nontemporary appointment)
    NOTE: Employees under a temporary limited appointment are not in tenure Group III and are not competing employees (tenure group 0) (see Workforce Restructuring Handbook for more information).

2. Veterans' preference – implemented through 3 tenure subgroups
    a. Subgroup AD – veterans' preference eligible employees who have a compensable service-connected disability of 30 percent or more

b. Subgroup A – veterans' preference eligible employees not in subgroup AD, including all employees eligible for derived preference
c. Subgroup B – employees not eligible for veterans' preference under RIF regulations

3. Total creditable Federal civilian and uniformed service – implemented through each employee's service computation date
   a. Competing employees are listed on the retention register within tenure groups and subgroups by length of service in descending order.

4. Performance ratings – implemented through additional service added to the employee's service computation date
   a. Employees receive additional RIF service credit for performance based upon the average of the employee's three most recent ratings of record received during the 4-year period prior to the RIF.

The agency lists the name of each employee on the retention register in the order of the employee's relative retention standing. For example, the employee with the highest standing is at the top of the register, and the employee with the lowest standing is at the bottom of the register.

RIF Competition

In "***First Round RIF Competition***," the agency applies the four retention factors to a competitive level to identify which employee(s) has the lowest retention factor. The agency may use RIF procedures to release the lowest-standing employee(s) from the competitive level.

In "***Second Round RIF Competition***," the agency again applies the four retention factors, this time to determine whether a released employee has a bump or retreat right to a position in a different competitive level, within the competitive area, that is held by an employee with even lower retention standing.

Bump and Retreat (Assignment Rights)

An employee who the agency releases from a competitive level may have bump or retreat rights to a continuing position on a different competitive level, within the competitive area, held by another employee with lower retention standing.

"Bumping" means displacing an employee on a different competitive level who is in a lower tenure group, or in a lower subgroup within the released employee's own tenure group.

"***Retreating***" means displacing an employee on a different competitive level with less service within the released employee's own retention subgroup.

A released competitive service employee in tenure groups I or II has Bump or Retreat rights to an "***Available Position***" in the same competitive area if the agency would otherwise separate or demote the released employee by RIF, and the released employee has a current performance rating of record equivalent to Minimally Successful (Level II) or higher. The existence of an "*available position*" does not oblige an agency to offer an employee a particular position. However, an available position does establish the employee's right to be offered a position at the same grade of the available position.

For more information visit Possible Right to Bump or Retreat to an Available Position and Retreating Rights.

Benefits Available to an Employee Separated in a RIF

Employees who are separated in a RIF may be eligible for a number of benefits including:

- Severance pay (updated fact sheet)
- Unemployment compensation
- Unused annual leave – lump sum payment for accrued annual leave upon separation
- Unused sick leave – restored if reemployed in the government; if retiring, added to total service for annuity purposes
- Retirement benefits

Please visit Benefits for Separated Employees and Benefits for Downgraded Employees for more information.

Employee Career Transition Assistance

Agencies are required to provide reemployment assistance to employees who are displaced in a RIF. There are a number of programs available including:

- Agency Career Transition Assistance Plans (CTAP) - An intra-agency program that helps surplus or displaced federal employees improve their chances of finding a new job in their agency, by giving them selection priority over other applicants, as long as they're qualified for the job.
- Reemployment Priority List (RPL) - The reemployment priority list (RPL) is the mechanism agencies use to give reemployment priority consideration to their former competitive service employees separated by reduction in force (RIF) or fully recovered from a compensable injury after more than 1 year.
- Interagency Career Transition Assistance Plan (ICTAP) - is an interagency program that helps surplus or displaced federal employees improve their chances of finding a new job at another agency, by giving them selection priority over other applicants from outside the agency.

For more information, please visit The Employee's Guide to Career Transition.

RIF Appeals and Grievances

An employee who has been separated, downgraded, or furloughed for more than 30 days by RIF has the right to appeal the Merit Systems Protection Board (MSPB) if the employee believes that the agency did not properly follow the RIF regulations. The released employee must file the appeal within 30 days after effective date of the RIF action.

An employee in a bargaining unit covered by a negotiated grievance procedure that does not exclude RIF must use the negotiated grievance procedure. The employee may not appeal the RIF action to the Board unless the employee alleges the action was based upon discrimination. The collective bargaining agreement covers the time limits for filing a grievance under a negotiated grievance procedure.