



Department of Defense INSTRUCTION

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Incorporating Change 1, Effective April 4, 2018

USD(P&R)

SUBJECT: DoD Civilian Personnel Management System: Nonappropriated Fund (NAF)
Attendance and Leave

References: See Enclosure 1

1. PURPOSE

a. Instruction. This instruction is composed of several volumes, each containing its own purpose. The purpose of the overall instruction, in accordance with the authority in DoD Directive (DoDD) 5124.02 (Reference (a)), is to establish and implement policy, establish procedures, provide guidelines and model programs, delegate authority, and assign responsibilities regarding civilian personnel management within the DoD.

b. Volume. In accordance with the authority in DoDD 1400.25 (Reference (b)), this volume reissues subchapter 1406 of DoD Instruction (DoDI) 1400.25 (Reference (c)) to establish attendance and leave policy, assign responsibilities, and prescribe procedures for DoD NAF activities and all Regular and Flexible employment category employees.

2. APPLICABILITY. This volume applies to:

a. OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this volume as the "DoD Components").

(1) The Army and Air Force Exchange Service may be considered a DoD Component for the purposes of this volume if delegated authority to oversee internal NAF attendance and leave policies by the Secretary of the Army and the Secretary of the Air Force, as applicable.

(2) The United States Marine Corps; the Navy Exchange Service Command; and the Commander, Navy Installations Command may be considered DoD Components for the

purposes of this volume if delegated authority to oversee internal NAF attendance and leave policies by the Secretary of the Navy.

b. All NAF employees and positions within the DoD, including those NAF positions authorized to receive funding from appropriated funds (APFs).

3. POLICY. It is DoD policy that:

a. Available annual leave will be granted on request by a NAF employee when operational requirements allow for the absence of the requesting employee.

b. Employees in the Regular employment category will accrue annual and sick leave during the basic workweek.

c. Employees in the Flexible employment category may earn annual and sick leave at the discretion of their DoD Component, as stated in its policy.

d. Eligible NF-6 employees will, on the same basis as eligible DoD APF Senior Executive Service (SES) employees, accrue annual leave at the rate of 1 day (8 hours) for each full biweekly pay period without regard to their length of service with the Federal Government.

4. RESPONSIBILITIES. See Enclosure 2.

5. PROCEDURES. See Enclosure 3.

6. RELEASABILITY. **Cleared for public release.** This volume is available on the **Internet from the DoD Issuances Directives Division** Website at <http://www.dtic.mil/whs/directives> <http://www.esd.whs.mil/DD/>.

7. EFFECTIVE DATE. This volume is effective April 13, 2015.



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Under Secretary of Defense for
Personnel and Readiness

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ENCLOSURE 1

REFERENCES

- (a) DoD Directive 5124.02, “Under Secretary of Defense for Personnel and Readiness USD(P&R),” June 23, 2008
- (b) DoD Directive 1400.25, “DoD Civilian Personnel Management System,” November 25, 1996
- (c) DoD Instruction 1400.25, Subchapter 1406, “DoD Civilian Personnel Management System: Attendance and Leave,” December 1, 1996, as amended (hereby cancelled)
- (d) Title 29, United States Code
- (e) DoD Instruction 1035.01, “Telework Policy,” April 4, 2012
- (f) Title 5, United States Code
- (g) Title 5, Code of Federal Regulations
- (h) DoD 7000.14-R, “Department of Defense Financial Management Regulations (FMRs)” date varies by volume
- (i) Government Accountability Office, B-120074, Volume 34, “Decisions of the Comptroller General,” August 10, 1954¹
- (j) Office of Personnel Management Operating Manual, “Federal Wage System: Nonappropriated Funds,” current edition²
- (k) Title 10, United States Code
- (l) Title 39, District of Columbia Code
- (m) Chapter 43 of Title 38, United States Code (also known as the “Uniformed Services Employment and Reemployment Rights Act of 1994”)
- (n) Presidential Memorandum, “Return of Activated Military Members to Federal Civilian Employment,” November 14, 2003
- (o) Executive Order 13223, “Ordering the Ready Reserve of the Armed Forces To Active Duty and Delegating Certain Authorities to the Secretary of Defense and the Secretary of Transportation,” September 14, 2001, as amended
- (p) Title 29, Code of Federal Regulations
- (q) Presidential Memorandum, “Extension of Benefits to Same-Sex Domestic Partners of Federal Employees,” June 2, 2010
- (r) Presidential Memorandum, “Expanded Family and Medical Leave Policies,” April 11, 1997

¹ Available from the Internet at <http://www.gao.gov/products/471501#mt=e-report>.

² Available from the Internet at <http://www.opm.gov/oca/wage/nafnew/index.asp>.

ENCLOSURE 2

RESPONSIBILITIES

1. ASSISTANT SECRETARY OF DEFENSE FOR ~~READINESS AND FORCE MANAGEMENT (ASD(R&FM))~~ MANPOWER AND RESERVE AFFAIRS (ASD(M&RA)). Under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), and in accordance with Reference (a), the ~~ASD(R&FM)~~ *ASD(M&RA)* has overall responsibility for the development of DoD civilian personnel policy covered by this volume.

2. DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR CIVILIAN PERSONNEL POLICY (DASD(CPP)). Under the authority, direction, and control of the ~~ASD(R&FM)~~ *ASD(M&RA)*, the DASD(CPP) supports the development of civilian personnel policy covered by this volume and monitors its execution by DoD Components.

3. DIRECTOR, DEPARTMENT OF DEFENSE HUMAN RESOURCES ACTIVITY (DoDHRA). Under the authority, direction, and control of the USD(P&R), the Director, DoDHRA, provides support to the DASD(CPP), as appropriate, in execution of the duties and responsibilities of this volume.

4. DOD COMPONENT HEADS. The DoD Component heads:
 - a. Direct compliance with this volume and establish Component policy, as appropriate, to implement its procedures.

 - b. Oversee and monitor NAF programs, through personnel management evaluations or other means, to confirm equitable and efficient attendance and leave administration.

 - c. Establish the administrative workweek and the leave year for administering leave in accordance with the procedures in Enclosure 3.

ENCLOSURE 3

PROCEDURES

1. WORK SCHEDULES

a. Basic Provisions for Establishing Work Schedules

(1) Administrative Workweek. The administrative workweek may begin on any day and hour over a period of 7 consecutive calendar days. The basic workweek is established within this period.

(2) Basic Workweek. Within the administrative workweek, the basic workweek is normally 40 hours, exclusive of meal periods. This does **not** include alternative work schedules (AWSs). Two consecutive days off will be provided in each administrative workweek whenever possible. However, the basic workweek may be scheduled over a period of 6 days provided the total scheduled hours do not exceed the number of hours, excluding overtime hours, an employee is required to work, or to account for, within the established basic workweek. Hourly rates for employees who work less than 40 hours in the basic workweek are defined in the pay administration policy in Volume 1405 of this instruction.

(3) Workday. The workday will be scheduled within a 24-hour period and may extend over 2 calendar days in succession, e.g., 6:00 P.M. Monday through 2:30 A.M. Tuesday.

b. Break and Rest Periods

(1) Meal Periods. Regular meal or lunch periods will be established for durations between 30 minutes to 1 hour.

(a) These periods will not be considered as time worked unless the DoD Component head establishes criteria for a paid meal or lunch period as a result of an employee's duties requiring the employee to remain on duty. The payment of on-the-job meal or lunch periods will not exceed 30 minutes.

(b) Meal breaks that occur when night-shift differential pay is authorized will be included for purposes of determining a crafts and trades employee's entitlement to night-shift differential pay.

(c) No employee will be required to work more than 6 consecutive hours without a meal period of not less than 30 minutes.

(2) Rest Periods. The DoD Component heads may, at their discretion, implement and establish criteria for the approval of short rest periods when it is beneficial to the DoD Component's mission. Rest periods will be paid and will not exceed 15 minutes during each 4 hour shift of continuous work.

(3) Break Time for Nursing Mothers. Section 7 of Title 29, United States Code (U.S.C.) (also known as the “Fair Labor Standards Act” (Reference (d))), requires federal agencies, including NAF instrumentalities (NAFIs), to:

(a) Provide a reasonable break time for a civilian employee to express breast milk for her nursing child for 1 year after the child’s birth, each time such employee has a need to express the milk.

(b) Make arrangements to provide a place, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public, for an employee to express breast milk.

c. Flexible Scheduling

(1) Telework. DoDI 1035.01 (Reference (e)) applies to NAF employees. Accordingly, telework may be authorized, promoted, and implemented for NAF employees.

(2) AWS. NAF employees are covered by subchapter II of chapter 61 of Title 5, U.S.C. (Reference (f)). Consequently, DoD Components may establish flexible and compressed work schedules for employees consistent with subpart D of part 610 of Title 5, Code of Federal Regulations (Reference (g)).

(3) Compensatory Time Off for Religious Observances. NAF employees will be provided compensatory time off for religious observances to the same extent as that flexibility is provided to similarly situated DoD APF employees.

(a) Consistent with section 550.1002 of Reference (g), which is administratively extended to NAF activities and employees, NAF employees may request and elect to work additional hours in excess of their regular work schedule, without pay, so they may take an equal amount of time off without charge to leave when personal religious beliefs require not working during certain times.

(b) This election may be disapproved if such change in work schedule interferes with the efficient accomplishment of the DoD Component’s mission.

d. Minimum Leave Charge. The DoD Component heads have the authority to establish minimum charges for leave within their Components as outlined in part 630.206 of Reference (g). In carrying out this authority, the DoD Component heads will not establish minimum charges of less than 6 minutes, in accordance with Volume 8 of DoD 7000.14-R (Reference (h)).

2. LEAVE AND TIME OFF

a. Annual Leave

(1) Annual Leave Authorization. Annual leave will be authorized and scheduled by the DoD Component heads when the workload allows and at the convenience of the employee whenever possible without negative impact to the mission of the DoD Component.

(a) Authority to grant annual leave immediately before separating from service when separation is known in advance is limited to cases:

1. When the needs of the employer require such action; or
2. When the employee substantially worked the entire final pay period and worked part of the last day of that period in accordance with page 61 of Volume 34 of the Decisions of the Comptroller General (Reference (i)).

(b) This restriction largely eliminates the cost, during employment termination, of employees continuing to accrue leave while using leave and therefore receiving compensation that is greater than lump-sum payment of the unused leave balance.

(2) Annual Leave Accrual. Regular category employees will accrue annual leave hours while in pay status. The DoD Component heads may establish policies for Flexible category employees to earn annual leave at the same accrual rate as regular category employees as outlined below. Overtime hours worked in excess of those regularly scheduled in a basic workweek or biweekly pay period are excluded from the leave accrual calculation. Employees receiving compensation for work injuries pursuant to section 8171 of Reference (f) and carried on the NAF employer's rolls in a leave without pay (LWOP) status do not accrue annual leave.

(a) Eligible employees with less than 3 years of service will accrue 5 percent of the total non-overtime and paid leave hours in a basic workweek as annual leave.

(b) Eligible employees with at least 3 but less than 15 years of service will accrue 7.5 percent of the total non-overtime and paid leave hours in the basic workweek as annual leave, except for the final biweekly period of the leave year when leave will accrue at the rate of 12.5 percent of the total hours in the basic workweek.

(c) Eligible employees with 15 years or more of service will accrue 10 percent of the total non-overtime and paid leave hours in the basic workweek.

(d) The DoD Component heads will authorize NAF senior executives (payband level NF-6) to accrue annual leave at the rate of 1 day (8 hours) for each full biweekly pay period.

(3) Time of Crediting. The DoD Component heads may require employees to serve for a continuous period of 90 calendar days in a leave eligible appointment before accrued annual leave is credited to the employee's leave account. Thereafter, leave will be credited at the end of the period in which it is earned. This waiting period may also be required when an employee moves under NAF to NAF portability.

(4) Creditable Service for Determining Leave Accrual. NAF employees eligible to accrue annual leave will receive creditable service for:

(a) All DoD NAF service as a Regular category employee regardless of employer. The DoD Component heads may establish policies to also credit service in a Flexible category appointment.

(b) Approved LWOP not to exceed 1 year when receiving compensation for work-related injuries in accordance with section 8171 of Reference (f).

(c) Civil service employment when the move to NAF employment from a civil service position meets the requirements of section 6308(b) of Reference (f). Once credited, this service remains creditable during any subsequent period of NAF service employment. ~~In accordance with section 6312(a)(2) of Reference (f), service in the civil service employment system will be credited in determining the appropriate leave accrual rate.~~

(d) Military service, including time spent at the U.S. Military Academy, the U.S. Naval Academy, the U.S. Air Force Academy, and the U.S. Coast Guard Academy. Military service credit is generally given for leave accrual purposes as described in section 6303 of Reference (f), which is administratively applied to NAF activities and employees.

1. Military service may be verified by the branch in which the person served. Military service is documented on DD Form 214, "Certificate of Release or Discharge from Active Duty."

2. In accordance with section 5534a of Reference (f), employees hired on or after October 17, 2006, while on terminal leave pending retirement from the uniformed services, are treated as retirees for the purpose of annual leave accrual credit.

~~(e)-(5)~~ Discretionary Service Credit. Federal service, non-federal service, or military service of a retiree of the uniformed services that is not otherwise creditable by this volume.

~~1.~~(a) The DoD Component head may credit annual leave accrual to a newly hired or a re-hired employee who has a break in service of more than 90 days; or military service of a retiree of the uniformed services. Credit is applicable to appointments at the NF-5 payband level or below. Such credit may be authorized in accordance with the provision of section 6303(e) of Reference (f).

~~2.~~(b) The DoD Component head may determine that the skills and experience of a new hire are essential to a position in order to achieve the NAF mission or performance goals. The DoD Component head must approve the new hire's qualifying prior work experience before the new hire enters on duty; the determination cannot be made retroactively.

~~(5)-(6)~~ Accrual Rate Change Effective Date. A change in the rate of accrual is effective at the beginning of the first pay period after completing the required service.

~~(6)~~(7) Maximum Annual Leave Accumulation

(a) Consistent with section 6304 of Reference (f), which is administratively extended to DoD Components and employees, the maximum amount of accrued annual leave that may be carried forward from 1 leave year to another is 240 hours, with these exceptions:

1. Employees stationed outside the United States may carry forward a maximum of 360 hours from 1 leave year to another.

2. Employees with an authorized annual leave maximum accumulation of 360 hours who return to a position with a 240-hour maximum accumulation are permitted to retain their excess annual leave above 240 hours, not to exceed 360 hours at the beginning of any leave year.

(b) The DoD Component heads may allow employees in payband level NF-6 to carry forward from 1 leave year to another a maximum of 720 hours. Section 630.301 of Reference (g) will be used as a guide to ensure that annual leave accumulated and carried over does not exceed leave benefits for APF employees.

(c) While employees are on active military duty, unused annual leave is not subject to the employee's "use or lose" ceiling and any annual leave above the employee's annual leave ceiling is not forfeited at the end of the leave year.

(d) Special annual leave rules apply to employees assigned to an installation designated for Base Realignment and Closure (BRAC). Section 5551(c) of Reference (f) provides that annual leave that is restored to a DoD employee pursuant to section 6304(d) of Reference (f) due to BRAC, and remains unused on the transfer of the employee to a DoD APF civil service position at an installation that is not being closed or realigned, will be paid to the employee in a lump sum.

(e) If a DoD Component head decides that an exigency, as defined in section 630.305 of Reference (g), is of such importance that it prevents using annual leave subject to forfeiture (i.e., accumulated annual leave in excess of the maximum amount that may be carried forward from 1 leave year to another), the leave otherwise forfeited may be restored in accordance with subpart C of part 630 of Reference (g) regarding restoring annual leave, using restored leave, and time limits for such use. These rules are administratively extended to NAFIs and employees.

~~(7)~~(8) Payment for Annual Leave

(a) Entitlement

1. A NAF employee will receive a lump-sum payment for any unused annual leave credited to the employee's leave record when he or she separates from NAF employment.

2. A NAF employee will receive a lump-sum payment when there is a change in employment category from Regular to Flexible category employment due to a business based action (BBA) or voluntary change as described in paragraph 2a(7)(c)1 of this section.

3. A DoD Component head may implement policies that permit NAF employees transferring between the NAF activities to receive partial payment of any unused annual leave to their credit at the time of separation. The remaining balance will transfer without limit to the gaining NAF activity. The employee's annual leave credit and the funds to cover the cost at the employee's rate when the employee transferred from the losing NAF activity will be transferred from the losing to the gaining NAF activity if the employee elects such a transfer of credit instead of receipt of a lump-sum or partial payment.

4. Employees, including Reservists and National Guard members, entering active duty in the Military Services may elect to have their accumulated leave remain to their credit until they return from active duty or to receive a lump-sum payment in accordance with section 5552 of Reference (f). If the employee is reemployed before the end of the period covered by the lump-sum, the employee must refund an amount equal to the pay covering the period between the date of reemployment and the expiration of the lump-sum period in accordance with section 6306 of Reference (f).

(b) Computation. The civil service rules at section 550.1205 of Reference (g) for computing the payment of unused annual leave are administratively extended to the computation of lump-sum or partial payment for a NAF employee's annual leave balance.

(c) Restrictions

1. Employees may not be paid for any part of their leave balance at any time while employed unless they are transferred to a position or employment category status that is ineligible to accrue leave.

2. A DoD NAF employee who moves to a DoD APF without a break in service of more than 3 days will not receive lump-sum or partial annual leave payment. The employee's NAF annual leave balance transfers to the employee's credit in the APF leave system in accordance with section 6308(b) of Reference (f). There is no transfer of funds, and leave will transfer without limit. However, section 5551(c) of Reference (f) provides that annual leave that is restored to a DoD employee pursuant to section 6304 (d) of Reference (f) due to BRAC, and remains unused on the transfer of the employee to a DoD APF civil service position at an installation that is not being closed or realigned, will be paid in a lump sum to the employee.

3. The DoD Component heads may restrict the lump-sum payment of accrued leave for employees who separate before completing 90 days of continuous employment from the initial hire date.

~~(8)~~(9) Advanced Annual Leave. At their discretion, DoD Components may advance annual leave to an eligible employee in an amount not to exceed the amount the employee would accrue within the leave year. DoD Components must not advance annual leave to an employee

when it is known (or reasonably expected) that the employee will not return to duty, e.g., when the employee has applied for disability retirement.

b. Sick Leave

(1) Eligibility. Sick leave will be credited to Regular category employees. The DoD Component heads may establish policies for Flexible category employees to accrue sick leave. Employees with sick leave to their credit may be granted such leave for the employee's personal medical needs, to provide care for their immediate family member, or to make funeral arrangements for their immediate family member. The DoD Component head may require medical certification from a medical provider verifying the need for sick leave, subject to the provisions of sections 6381 through 6387 of Reference (f) or section 630.405 of Reference (g).

(2) Sick Leave Credit Accruals. Regular category employees or Flexible category employees, if authorized by the DoD Component head, will accrue sick leave hours at 5 percent of the total non-overtime and paid leave hours in a basic workweek or biweekly pay period.

(3) Accumulation of Sick Leave. There is no limit on the amount of sick leave that employees may accumulate and carry forward from year to year.

(a) No payment for unused sick leave will be made to an employee under any circumstances.

(b) Retiring NAF employees will have any unused sick leave that an employee has accumulated at the time of retirement added to the period of creditable NAF service for NAF retirement purposes.

(c) NAF employees who made an irrevocable decision consistent with Volume 1408 of this instruction to remain covered as an employee in the Federal Employees Retirement System or the Civil Service Retirement System under a portability statute will have unused sick leave calculated by the rules under their federal retirement systems.

(4) Transfer of Sick Leave. When a NAF employee transfers from one DoD NAFI to another DoD NAFI, the employee's unused sick leave will be transferred between the NAF employers without a transfer of funds, provided that the employee did not receive service credit for unused sick leave in the computation of an annuity.

(a) The unused sick leave of a DoD NAF employee who moves between a DoD APF or NAF position without a break in service of more than 3 days will transfer to the employee's credit in the gaining DoD APF or NAF sick leave system in accordance with section 6308(b) of Reference (f).

(b) There is no transfer of funds, and leave will transfer without limit.

(5) Sick Leave Re-credit

(a) A former DoD NAF employee who returns to DoD NAF employment (regardless of DoD NAFI) after a BBA separation will have the sick leave balance at the time of such separation restored. If the separation was not related to a BBA, restoring the balance of the sick leave is at the discretion of the DoD Component.

(b) An employee who is converted from Regular to Flexible category status and loses sick leave credit will be re-credited sick leave if he or she returns to Regular category status with the same or a different NAFI.

(c) An employee who is converted in place from Regular to Flexible category status may retain his or her sick leave balance for use in the flexible status category as established by the DoD Component head or their designee.

(6) Advanced Sick Leave. At their discretion, DoD Components may advance sick leave to an employee, when required by the needs of the situation, for the same reasons it grants sick leave to an employee. This is subject to certain limitations and provisions pursuant to section 630.402 of Reference (g).

c. Annual and Sick Leave for NAF Crafts and Trades Employees Paid on Other Than a Time Rate Basis. NAF crafts and trades employees compensated in whole or in part by non-time based compensation systems (e.g., tips, commission, piece rates, incentive) or other non-time systems are covered by the same annual and sick leave policy that applies to NAF employees. However, the leave is computed on the basis of a prevailing rate derived from the application of the NAF job grading system for the same level of position on the appropriate NAF regular wage schedule as defined in subchapter 8, section 4b(7) of the Office of Personnel Management (OPM) Operating Manual (Reference (j)).

d. Other Paid Time Off

(1) Holidays. The provisions for legal public holidays in section 6103 of Reference (f) are administratively extended to DoD Components and employees. Additional holidays may be designated by federal statute or Executive order.

(2) Administrative Leave. Non-emergency employees may be released from duty when an authorized official closes all or part of an activity. Administrative dismissals of NAF employees will be in accordance with Volume 610 of this instruction. The DoD Component heads are authorized to excuse employees from their normal duties for brief periods without charge to leave or loss of pay. This authority will be used sparingly. Some of the common situations for which excused absence may be granted, include, for example, voting, blood donations, and volunteer activities. The policies that apply are stated in Volume 630 of this instruction.

(3) Home Leave. The provisions of section 6305 of Reference (f), subpart F of part 630 of Reference (g), and Volume 1412 of this instruction are administratively extended to DoD Components and employees. A DoD NAF employee who moves to a DoD APF position without a break in service of more than 3 days, transfers with the employee's credit in the APF home

leave system in accordance with section 6308(b) of Reference (f). There is no transfer of funds, and home leave will transfer without limit.

(4) Donor Leave. The provisions of section 6327 of Reference (f), which are administratively extended to DoD Components and employees, entitle an executive agency employee to additional leave beyond annual and sick leave to allow employees to serve as a bone-marrow or organ donor. Such additional leave is granted without loss of or reduction in pay, leave to which the employee is otherwise entitled, credit for time or service, or performance rating.

(5) Military Leave. The military leave provisions in section 6323 of Reference (f) are administratively extended to DoD Components and employees. Regular category employees and Flexible category employees whose appointments are not limited to 1 year or less are entitled to time off with pay for certain types of active and inactive duty service in the National Guard or as a Reserve of the Military Services. Military leave is prorated for part-time employees and eligible Flexible category employees based on the number of hours in the employee's regularly scheduled biweekly pay period.

(a) Section 6323(a) of Reference (f) provides 15 workdays per fiscal year for active duty, active duty training, and inactive duty training. A NAF employee can carry over a maximum of 15 days into the next fiscal year.

(b) Section 6323(b) of Reference (f) provides 22 workdays per calendar year for emergency duty as ordered by the President, the Secretary of Defense, or a State governor. This leave is provided for employees who perform military duties in support of civil authorities in the protection of life and property or who perform full-time military service as a result of a call or order to active duty in support of a contingency operation as defined in section 101(a)(13) of Title 10, U.S.C. (Reference (k)).

(c) Section 6323(c) of Reference (f) provides unlimited military leave to members of the National Guard of the District of Columbia for certain types of duty ordered or authorized under Title 39 of the District of Columbia Code (Reference (l)).

(d) Section 6323(d) of Reference (f) provides that military technicians (dual status) only are entitled to 44 workdays of military leave for duties overseas under certain conditions.

(e) An employee's civilian pay remains the same for periods of military leave pursuant to section 6323(a) of Reference (f), including any premium pay an employee would have received if not on military leave (this does **not** include Sunday premium pay). For military leave pursuant to sections 6323(b) and 6323(c) of Reference (f), an employee's civilian pay is reduced by the amount of military pay for the days of military leave. However, an employee may choose not to take military leave and instead take annual leave, compensatory time off for travel, or sick leave, if appropriate, in order to retain both civilian and military pay.

(f) Additional information regarding the administration of military leave can be found under the "Pay and Leave" section at the OPM website, www.opm.gov.

(6) Court Leave. The provisions of section 6322 of Reference (f) are administratively extended to DoD Components and regular employees. Volume 8, Chapter 5, paragraph 0513 of Reference (h) will be used by the DoD Component for providing guidance to employees and in the processing of court leave.

(7) Bereavement Leave. The provisions of section 6326 of Reference (f) are administratively extended to DoD Components and employees to allow employees to take not more than 3 days of leave, without loss of or reduction in pay, leave to which the employee is otherwise entitled, credit for time or service, or performance or efficiency rating, to make arrangements for, or to attend, the funeral or memorial service for an immediate relative who died as a result of wounds, disease, or injury incurred while serving as a member of the Military Services in a combat zone.

(8) Return of Active Duty Military Members to Federal Civilian Employment

(a) NAF employees returning to duty from U.S. military service will have the same leave accrual entitlements they should have enjoyed had they remained at work in accordance with chapter 43 of Title 38, U.S.C., also known as the “Uniformed Services Employment and Reemployment Rights Act of 1994” (Reference (m)).

(b) The Presidential Memorandum (Reference (n)) provides for NAF employees returning from active military service in connection with Operations NOBLE EAGLE, ENDURING FREEDOM, IRAQI FREEDOM, NEW DAWN or any other military operation subsequently established by Executive Order 13223 (Reference (o)). Employees will be granted 5 days of excused absence without charge to leave before the employee’s resumption of his or her duties, or at a time mutually agreeable between the employer and employee if the employee has already returned to duty.

(9) Disabled Veteran Leave. The provisions of section 6329 of Reference (f) are administratively extended to provide a disabled veteran leave benefit for eligible NAF employees. The provisions will allow any NAF employee who is a veteran with a qualifying Service-connected disability rating of 30 percent or more, to use disabled veteran leave. The provisions apply to employees in Regular positions and in those Flexible positions which accrue leave. The use of disabled veteran leave must be for purposes of undergoing medical treatment for such disability for which sick leave could regularly be used.

(a) Disabled veteran leave is a one-time benefit that can only be used during a continuous 12-month period beginning on an eligible employee’s first day of employment and may not exceed 104 hours for a Regular full-time NAF employee in any DoD Component. NAF employees who are employed in a part-time employment category will be credited a proportionally equivalent amount of leave, calculated in accordance with section 630.1305(a)-(b) of Reference (g). Disabled veteran leave does not apply to NAF employees who are not in positions under which leave is charged for periods of absence.

(b) An eligible employee is credited with the approved number of hours of disabled veteran leave all at once after being newly hired as an eligible NAF employee. The disabled veteran leave hours will be deposited into an employee’s designated disabled veteran leave

account. The amount of disabled veteran leave credited must be reduced by the number of sick leave hours credited to the employee as of the first day of employment.

(c) The 12-month eligibility period starts on the first day of employment, which is the first day in a covered position occurring on the later of:

1. The earliest date an employee is hired after the effective date of a qualifying Service-connected disability, as determined by the Veterans Benefits Administration; or

2. The effective date of the employee's qualifying Service-connected disability, as determined by the Veterans Benefits Administration (i.e., the hiring event occurs before the effective date).

(d) The term "hired" refers to employees who:

1. Are newly hired in an eligible NAF position;

2. Are reappointed with at least a 90 day break in service; or

3. Return to duty in an eligible NAF position following a period of military service (during which the individual was in continuous civilian leave status).

(e) Disabled veteran leave that is not used during the first single 12-month eligibility period after the date of hire may not be carried over to subsequent years. It will be forfeited at that time and removed from the employee's disabled veteran leave account. Unused disabled veteran leave may not be cashed out and paid in a lump sum. If a change in the employee's disability rating during the 12-month eligibility period causes the employee to no longer have a qualifying Service-connected disability:

1. The employee must notify his or her DoD Component of the effective date of the change in the disability rating.

2. The employee is no longer eligible for disabled veteran leave as of the effective date of the rating change.

(f) NAF employees must provide their NAF employer with documentation from the Veterans Benefits Administration certifying the employee has a qualifying Service-connected disability. Eligible employees will be required to self-certify that the disabled veteran leave is being used (or was used) for purposes of receiving treatment for the qualifying Service-connected disability. The NAF employer may require, at its discretion, additional medical confirmation from a health care provider.

(g) When an employee with a positive disabled veteran leave balance moves from a NAF position in one DoD Component to a NAF position in another Component without a break in service of 1 workday or more during the 12-month eligibility period, the losing Component must certify the number of unused disabled veteran leave hours available for credit by the

gaining Component. The losing DoD Component must also certify the expiration date of the employee's 12-month eligibility period to the gaining Component.

(h) Eligible NAF employees who were previously employed in a position covered by section 6329 of Reference (f) disabled veteran leave benefits must certify to the hiring DoD Component the date the employee began the period of section 6329 eligibility. To avoid granting duplicate benefits, DoD Components will apply section 630.1305(e)(2) and (3) of Reference (g) in determining eligibility for NAF disabled veteran leave benefits.

e. Additional Leave Provisions

(1) Family and Medical Leave Act (FMLA)

(a) NAF employees are covered by sections 6381 through 6387 of Reference (f), which entitles certain federal employees to 12 administrative workweeks of LWOP. Any available annual or sick leave may be substituted in place of LWOP during any 12-month period for one or more of these reasons:

1. The birth of a son or daughter and care of the newborn;
2. The placement of a son or daughter with the employee for adoption or foster care;
3. The care of a spouse, son, daughter, or parent of the employee if such spouse, son, daughter, or parent has a serious health condition;
4. A serious health condition of the employee that makes the employee unable to carry out the essential function of his or her position; or
5. Any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a covered Service member on active duty or has been notified of an impending call or order to covered active duty in the Military Services.

(b) Sections 6381 through 6383 of Reference (f) provide federal and NAF employees who are the spouse, son, daughter, parent, or next of kin of a covered Service member with a serious injury or illness up to 26 administrative workweeks of LWOP during a single 12-month period to care for the covered Service member.

1. Eligible employees may substitute any available annual or sick leave in place of LWOP. However, the substitution of sick leave is subject to the provisions of section 630.403 of Reference (g).
2. The 26 administrative workweek entitlement includes the 12 weeks of regular FMLA leave and is not in addition to it.

(c) Employees in both Regular and Flexible category continuing positions (i.e., positions without a documented time limitation, or a "not-to-exceed" date) who have completed

at least 12 months of service are covered by chapter 63, subchapter V of Reference (f). The months of service are **not** required to be 12 recent or consecutive months. The OPM regulations are administratively extended to NAF activities and employees and are published in part 630, subpart L of Reference (g).

(d) NAF employees serving in a Flexible appointment with a stated time limitation or not-to-exceed date of 1 year or less are subject to the provisions of chapter 28 of Reference (d). Employees covered must meet the eligibility criteria prescribed by part 825 of Title 29, Code of Federal Regulations (Reference (p)).

(e) During approved periods of FMLA leave, employees who are enrolled in the NAF Health Benefits Program (health maintenance organization or non-health maintenance organization) may continue health insurance coverage (medical and dental) according to the provisions of Volume 1408 of this instruction.

(2) Work-Related Injury or Illness. An employee receiving compensation for a work-related injury or illness pursuant to section 8171 of Reference (f) may be granted sick leave payments from the employee's accumulated sick leave balance in an amount that, when added to workers' compensation benefits, approximates but does not exceed the employee's basic salary. Annual leave may be substituted in the absence of sick leave.

(3) Leave Donation or Leave Bank Programs. The DoD Component heads or their designees may establish leave donation and leave bank programs to allow NAF employees under the Component's authority to transfer leave to other NAF employees, including NAF employees of the same DoD Component or under the authority of a separate DoD Component, for a medical or family emergency or other hardship situation. OPM leave transfer programs for APF employees may be used as a guide. The transfer of leave between APF and NAF employees for the purpose of donating leave is prohibited.

f. Unpaid Absence. During periods of unpaid absence, employees who are enrolled in the NAF Health Benefits Program may continue enrollment under the provisions of Volume 1408 of this instruction.

(1) LWOP. On request, LWOP may be granted instead of annual or sick leave. LWOP will not be granted for a period exceeding 1 year except for military service and other circumstances considered appropriate. In accordance with Presidential Memoranda (References (q) and (r)), 24 hours of LWOP in a leave year may be used to participate in school and early childhood educational activities, accompany children to routine medical or dental appointments, and to allow employees to accompany an elderly relative to routine medical or dental appointments or other professional services related to the care of the elderly relative.

(2) Absence Without Leave (AWOL). AWOL is a non-pay status. Employees are AWOL when absent from their assigned place of duty, and their absence was not authorized, or the leave requested by the employee has been properly denied.

(3) Furlough. During a furlough, a NAF employee may not substitute annual or sick leave or other forms of paid time off for any hours or days designated as furlough time off.

(a) All scheduled leave is canceled during the scheduled furlough time off. NAF employees do not accrue annual or sick leave while in a non-pay status.

(b) Furloughed employees on LWOP under FMLA continue to be charged LWOP for the period of family medical leave. If the employee was scheduled to take paid leave under the FMLA instead of LWOP, the paid leave is canceled and the employee is placed on furlough. If the paid leave is canceled, the period of absence may not be used to reduce the 12-week entitlement to FMLA leave.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

APF	appropriated funds
ASD(R&FM)	Assistant Secretary of Defense for Readiness and Force Management
ASD(M&RA)	Assistant Secretary of Defense for Manpower and Reserve Affairs
AWOL	absence without leave
AWS	alternate work schedules
BBA	business based action
BRAC	Base Realignment and Closure
DASD(CPP)	Deputy Assistant Secretary of Defense for Civilian Personnel Policy
DoDD	Department of Defense directive
DoDHRA	Department of Defense Human Resources Activity
DoDI	Department of Defense instruction
FMLA	Family and Medical Leave Act
LWOP	leave without pay
NAF	nonappropriated funds
NAFI	NAF instrumentality
NF-6	NAF Senior Executive
OPM	Office of Personnel Management
SES	Senior Executive Service
USD(P&R)	Under Secretary of Defense for Personnel and Readiness

PART II. DEFINITIONS

Unless otherwise noted, these terms and their definitions are for the purposes of this volume.

annual leave. An approved paid leave of absence for personal, emergency, and other purposes.

administrative workweek. A period of 7 consecutive calendar days.

APF. Defined in section 010202 of Volume 13 of Reference (h).

AWOL. A non-pay status that covers an absence from duty that has not been approved.

AWS. Includes flexible and compressed work schedules as defined in Reference (f).

basic workweek. The days and hours within an administrative workweek which make up the employees' regularly scheduled workweek.

BBA. A reduction in employment category or pay rate, a furlough, or separation action initiated by management for non-disciplinary reasons.

court leave. An authorized absence from work without charge to leave or loss of pay for jury duty or to appear (not in an official duty capacity) as a witness when the United States, the District of Columbia, or a State or local government is a party to the proceeding.

disabled veteran leave. A leave category for any eligible NAF employee who is a veteran with a qualifying Service-connected disability rated at 30 percent or more, for the purposes of undergoing medical treatment for such disability for which sick leave could regularly be used.

domestic partner. For purposes of sick leave, funeral leave, voluntary leave transfer and bank, and emergency leave transfer, defined as an adult in a committed relationship with another adult, including both same-sex and opposite-sex relationships.

family member. For purposes of sick leave, funeral leave, voluntary leave transfer and bank, and emergency leave transfer, defined by any of the following relationships to the employee:

Spouse and his or her parents;

Domestic partner and his or her parents;

Sons and daughters and their spouses or domestic partners;

Parents and their spouses or domestic partners;

Brothers and sisters and their spouses or domestic partners;

Grandparents and grandchildren and their spouses or domestic partners; or

Any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

Flexible employment category. Defined in Volume 1403 of this instruction.

furlough. The placing of a NAF Regular employee in a temporary non-duty, non-pay status.

home leave. A special category of leave earned by employees serving in regular overseas assignments in addition to their annual leave, if they meet certain requirements.

immediate relative. For purposes of use of funeral leave, defined by any of the following relationships to the employee:

Spouse and his or her parents;

Domestic partner and his or her parents;

Sons and daughters and their spouses or domestic partners;

Parents and their spouses or domestic partners;

Brothers and sisters and their spouses or domestic partners;

Grandparents and grandchildren and their spouses or domestic partners; or

Any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

leave year. A consecutive 52-week period prescribed by the DoD Component heads for administering leave.

LWOP. An approved temporary non-pay status and absence from duty. In most instances, LWOP is granted at the employee's request.

NAF. Defined in section 010213 of Volume 13 of Reference (h).

NAF employee. Defined in section 2105 of Reference (f).

NAFI. Defined in section 010214 of Volume 13 of Reference (h).

NF. NAF white-collar occupational category payband.

portability. The ability to retain certain benefits when an employee moves between NAF and civil service positions or NAF to NAF positions.

Regular employment category. Defined in Volume 1403 of this instruction.

son or daughter. For purposes of use of leave in accordance with FMLA, defined in section 630.1202 of Reference (g).

spouse. A partner, same-sex or opposite-sex, in any legally recognized marriage, regardless of the employee's state of residency. The term "spouse" does not include unmarried domestic partners, unless they meet the requirements of being in a common-law marriage in states where such marriages are recognized.