



DoD INSTRUCTION 1400.25 VOLUME 833

DoD CIVILIAN PERSONNEL MANAGEMENT SYSTEM: PHASED RETIREMENT

Originating Component: Office of the Under Secretary of Defense for Personnel and Readiness

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Purpose: This issuance is composed of several volumes, each containing its own purpose. In accordance with the authority in DoD Directives 5124.02 and 1400.25:

- This instruction establishes and implements policy, establishes procedures, provides guidelines and model programs, delegates authority, and assigns responsibilities regarding civilian personnel management within the DoD.
- This volume establishes and implements DoD policy, delegates authority, assigns responsibilities, and provides procedures regarding the Phased Retirement Program in accordance with DoD Directive 1400.25.

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY.

This issuance:

a. Applies to 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 issuance as the “DoD Components”).

b. Does not apply to non-appropriated fund employees or Service members, in accordance with Section 8331(1)(L)(ii) of Title 5, United States Code.

1.2. POLICY.

In accordance with Sections 8336a and 8412a of Title 5, United States Code:

a. DoD Components:

(1) May use phased retirement in compliance with Part 848 of Title 5, Code of Federal Regulations (CFR).

(2) Must use a written agreement for each phased retiree.

b. Phased retirement is:

(1) A human resource tool to assist with the transfer of knowledge and provide continuity of operations on a short-term basis.

(2) Voluntary and requires the mutual consent of both the employee and the authorized DoD Component official.

(3) A one-time occurrence per phased retiree.

c. Phased retirees:

(1) Will work 50 percent of a full-time schedule while receiving a portion of their retirement annuity.

(2) Must spend at least 20 percent of hours worked mentoring.

(3) May elect to enter full retirement status at any time.

(4) May request to return to full-time employment; approval requires the authorized DoD Component official's concurrence.

1.3. INFORMATION COLLECTIONS.

The Standard Form 3116, “Phased Employment/Phased Retirement Status Elections,” and the Department of Defense (DD) Form 3018, “Phased Retirement Request and Agreement,” referred to in Paragraphs 3.3.a.(1) and 3.3.a.(2) respectively, do not constitute public collections in accordance with Part 1320 of Title 5, CFR.

SECTION 2: RESPONSIBILITIES

2.1. ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND RESERVE AFFAIRS.

Under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness, the Assistant Secretary of Defense for Manpower and Reserve Affairs has overall responsibility for the development of DoD civilian personnel policy covered by this volume.

2.2. DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR CIVILIAN PERSONNEL POLICY. Under the authority, direction, and control of the Assistant Secretary of Defense for Manpower and Reserve Affairs, the Deputy Assistant Secretary of Defense for Civilian Personnel Policy supports the development of civilian personnel policy covered by this volume and monitors its execution by DoD Components, ensuring consistent implementation and continuous application throughout DoD.

2.3. DIRECTOR, DEPARTMENT OF DEFENSE HUMAN RESOURCES ACTIVITY. Under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness, the Director, Department of Defense Human Resources Activity, provides support to the Deputy Assistant Secretary of Defense for Civilian Personnel Policy, as appropriate, in the execution of the procedures in this volume.

2.4. DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE. Under the authority, direction, and control of the Under Secretary of Defense (Comptroller)/Chief Financial Officer of the Department of Defense, the Director, Defense Finance and Accounting Service:

- a. Directs and oversees finance and accounting requirements, procedures, and functions for all appropriated fund activities.
- b. Establishes and enforces requirements, principles, standards, procedures, processes, and practices necessary to comply with finance and accounting statutory and regulatory requirements applicable to the DoD.

2.5. DIRECTOR, WASHINGTON HEADQUARTERS SERVICES (WHS), AND DOD COMPONENT HEADS WITH INDEPENDENT APPOINTING AUTHORITY. The Director, WHS, under the authority, direction, and control of the Chief Management Officer of the Department of Defense; and the DoD Component heads with independent appointing authority may determine eligibility for the Phased Retirement Program and approve employee requests.

2020 SECTION 3: PROCEDURES

3.1. ELIGIBILITY.

a. Retirement-eligible employees must have been employed on a full-time basis for at least a 3-year period ending on the effective date of entry into phased retirement status.

(1) Civil Service Retirement System employees are eligible for phased retirement if they have at least 30 years of service and are at least 55 years of age, or they have 20 years of service and are at least 60 years of age.

(2) Federal Employees Retirement System employees are eligible for phased retirement if they have at least 30 years of service and have reached their minimum retirement age (between ages 55 and 57 depending on their birth year), or have 20 years of service and are at least 60 years of age.

b. Within DoD, employees who qualify for retirement under the provisions for law enforcement officers, firefighters, nuclear materials couriers, and air traffic controllers are not eligible for phased retirement.

3.2. REQUIREMENTS.

a. Working Percentages and Established Hours.

(1) **Working Percentages.** A phased retiree will be appointed to a position with a 50 percent work schedule. The phased retiree may not be assigned additional hours of work except in rare circumstances when management documents in writing that all of the following conditions are met:

(a) The work is necessary to respond to an emergency posing a significant, immediate, and direct threat to life or property.

(b) An authorized DoD Component official determines that no other qualified employee is available to perform the required work.

(c) The phased retiree is relieved from performing excess work as soon as reasonably possible (e.g., by management assignment of work to other employees).

(d) When an emergency situation could have been anticipated in advance, management made advance plans to minimize any necessary excess work by the phased retiree.

(2) **Established Hours.** The phased retiree's work schedule is subject to any applicable agency policy and applicable collective bargaining agreement. Any basic pay received for hours outside of the phased retiree's work schedule is subject to retirement deductions and agency contributions. However, it is not used in computing retirement benefits.

b. Mentoring. Phased retirees will spend at least 20 percent of their working hours engaged in mentoring. DoD Components will establish mentoring guidelines to best fit their needs.

(1) Mentoring is not limited to an employee who may assume the phased retiree's duties upon the phased retiree's final retirement.

(2) An authorizing DoD Component official may waive the mentoring requirement in the event of an emergency or other unusual circumstances (e.g., extended absence of the mentee) that would make it impractical for the phased retiree to fulfill the mentoring requirement.

3.3. OPERATIONAL PROCEDURES.

a. Applying for Phased Retirement.

(1) Employees meeting the eligibility requirements for phased retirement will complete and submit the Standard Form 3116, "Phased Employment/Phased Retirement Status Elections," located on the General Services Administration Forms Library website at <https://www.gsa.gov/reference/forms>, along with any appropriate documentation, to an authorized DoD Component official.

(2) An authorized DoD Component official may approve the application, provided a time limit for the period of phased retirement is established, in accordance with Paragraph 3.3.b.(1).

(3) If approved for phased retirement, the employee must submit the appropriate documentation to his or her servicing human resources office to transition into a phased retirement status.

(4) An employee may withdraw his or her application at any time before the phased retirement becomes effective, but not after.

b. Time Limitation for Phased Retirement.

(1) The authorized DoD Component official and the employee will establish a time limit for the period of phased retirement as a condition of approval. Once the period of phased retirement is agreed upon, the DD Form 3018, located on the DoD Forms Management Program website at <https://www.esd.whs.mil/Directives/forms/>, will be used to document the date the employee's period of phased retirement will end.

(2) The following information about the termination of the employee's phased retirement will be included in the DD Form 3018:

(a) A statement that the employee may request permission from an authorized DoD Component official to return to regular employment status at any time and an explanation of how returning to regular employment status would affect the employee.

(b) A statement that the employee may elect to fully retire at any time without DoD Component approval.

(c) A statement that the employee may accept a new appointment at another agency, with or without the new agency's approval for phased retirement, at any time before the agreement expires or within 3 days after it expires, and a statement that the DoD Component's agreement will terminate upon the employee's acceptance of an appointment at a non-DoD agency.

(d) A statement that when the phased retirement time limit ends, the phased retiree will be separated from employment and that such separation will be considered voluntary.

(e) A statement that if the employee is separated from phased employment and is not employed by another federal agency within 3 days (i.e., the employee has a break in service of greater than 3 days), the employee will be deemed to have elected full retirement.

(3) The authorizing DoD Component official and the employee may mutually agree to rescind an existing agreement, or enter into a new agreement to extend or reduce the agreed upon term of phased retirement, by entering into a new written agreement before the existing agreement expires.

c. Criteria for Approval or Denial. Any decision to approve or deny a request for phased retirement will be based on sound business practices. Considerations include, but are not limited to:

- (1) Current performance rating of at least "Fully Successful" or equivalent.
- (2) Whether a part-time work schedule is appropriate for the employee's position.
- (3) Whether the employee is willing and able to meet the mentoring requirement.
- (4) Whether management has identified appropriate mentoring activities for the employee to perform.
- (5) How the employee's change in work schedule will affect the work unit's ability to meet goals and objectives.
- (6) Whether operational needs require the employee to work in excess of a 50 percent work schedule.
- (7) Whether the employee encumbers a mission critical or emergency essential position.
- (8) Whether the employee has knowledge that needs to be transferred.
- (9) As applicable, whether funding is available for both a phased retiree and a newly-hired employee.

d. Phased Retirement Processing. Servicing human resources offices will establish procedures for implementing approved phased retirement requests. Copies of the phased retirement agreement and other necessary documents should be filed on the temporary (left) side

of the official personnel folder. DoD Components and employees should maintain copies as well.

e. Outside Employment While On Phased Retirement. While on phased retirement, an individual remains a DoD employee in accordance with Part 2635 of Title 5, CFR. The employee is bound by ethics rules and any restrictions on outside employment.

f. Bargaining Obligations. Before implementing the Phased Retirement Program for bargaining unit employees, organizations must fulfill their collective bargaining obligations.

g. Employee Rights. Any complaint procedures, including any applicable administrative or collective bargaining grievance procedures that are available in regular employment, remain available to phased retirees. No new rights are provided.

h. Limitation of Utilization of Phased Retirement. DoD Component heads may limit the number or percentage of phased retirees as appropriate.

2020 GLOSSARY

G.1. ACRONYMS.

ACRONYM	MEANING
CFR	Code of Federal Regulations
DD	Department of Defense (forms only)
WHS	Washington Headquarters Services

G.2. DEFINITIONS.

Unless otherwise noted, these terms and their definitions are for the purpose of this issuance.

TERM	DEFINITION
authorized DoD Component official	A DoD Component head or one or more officials delegated authority by that DoD Component head to approve requests for phased retirement.
full-time	An officially established recurring work schedule of 80 hours per biweekly pay period.
phased retiree	Retirement-eligible employee who enters phased retirement status and who is not fully retired.

2020 **REFERENCES**

Code of Federal Regulations, Title 5

DoD Directive 1400.25, “DoD Civilian Personnel Management System,” November 25, 1996

DoD Directive 5124.02, “Under Secretary of Defense for Personnel and Readiness
(USD(P&R)),” June 23, 2008

United States Code, Title 5