

Who Are NAF Employees?

Over 130,000 DoD employees are paid from funds that are not appropriated by Congress. DoD nonappropriated fund (NAF) employees work in military exchanges and morale, welfare, and recreation programs. They are paid from funds generated by those activities. NAF employees work all over the world, supporting our Military Services. You can find NAF employees performing such services as selling shampoo, books, and snacks to deployed soldiers at an exchange in Iraq, running a youth program for military dependents, serving food and beverages at enlisted and officers' clubs, and providing indoor and outdoor recreational activities for servicemen and women and their families.

NAF employees work in a wide variety of jobs, including sales clerks, child caregivers, club managers, laborers, recreation assistants, accounting technicians, and senior executives. The Army and Air Force Exchange Service is the largest NAF employer. NAF personnel also work in the morale, welfare, and recreation activities in the Department of the Army and the Department of the Air Force. Major NAF employers in the Department of the Navy include the U.S. Marine Corps, the Navy Exchange Service Command, and the Commander, Navy Installations Command.

NAF employees are Federal employees. However, they are not covered by most laws administered by the Office of Personnel Management, unless specifically provided by statute (for example, statutes cover NAF employees in areas such as wage-grade pay and labor relations).

The Secretary of Defense, through the Principal Deputy Under Secretary of Defense (Personnel and Readiness) and the Deputy Under Secretary of Defense (Civilian Personnel Policy), exercises discretionary authority over NAF personnel policies covering white-collar pay, employee benefits, classification, leave, staffing, and workforce relations. The DoD NAF Personnel Policy Division of CPMS develops and administers NAF personnel policy in collaboration with the Military Departments, and provides NAF employers with expert advisory and consultation services.

DoD human resources specialists frequently have questions about how to advise and process employees moving between DoD NAF and civil service positions. The CPMS reference guide, "Portability of Benefits for Moves between Civil Service and Nonappropriated Fund Employment Systems," contains answers to many of those questions. This reference guide is posted on the CPMS website at www.cpms.osd.mil/nafppo. The guide and other DoD NAF personnel policy documents on the website, provides information on DoD's large and indispensable NAF workforce.