



Nonappropriated Fund (NAF) Severance Pay

References: DoD 1400.25-M, DoD Civilian Personnel Manual, Subchapter 1405, Appendix 5; Title 5, United States Code (U.S.C.), Section 5595(c)

Regular NAF employees who have completed at least 12 months of continuous creditable service with one or more DoD nonappropriated fund instrumentalities are eligible for severance pay. The continuous service qualifying the employee for severance pay must have occurred within the 12 months preceding the effective date of the Business Based Action (BBA). Check with your HRO to receive more details about the eligibility requirements.

You will not be eligible for NAF severance pay if you move with a break in service of 3 days or less to a Regular NAF position, or to a permanent DoD appropriated fund (APF) position. You will also not be eligible for NAF severance pay if you refuse a DoD NAF job that does not result in a loss of pay or employment category (for example, a Regular full-time employee may decline a Regular part-time position, or a Flexible position, without voiding severance pay entitlement). Declining an offer outside of the commuting area does not affect severance pay eligibility unless you are covered by a mobility agreement. You are not entitled to severance pay if you are receiving workers compensation pay for a job-related injury. Employees who are entitled to an unreduced immediate retirement annuity are also excluded from receiving severance pay. This exclusion includes NAF annuities, as well as an annuity from a civil service retirement plan in which the employee elected to remain following a move from an APF to a NAF position under NAF-APF Portability of Benefits provisions.

The amount of NAF severance pay entitlement is based on the number of hours an employee is regularly scheduled to work during the week, averaged over a period not to exceed the preceding 12 months, and at the basic pay rate received immediately before separation. NAF Components may place a cap on the maximum number of weeks paid at this rate, but the cap may not be set at less than 4 weeks. Regardless of which NAF Component you work for, you will not be paid more than the amount calculated using the severance pay formula applied to APF employees (provided in 5 USC 5595(c)). Check with your NAF HRO for information regarding the amount of your specific severance pay entitlement.