



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

2/3/2025

Lama Elsharif
CREW

[REDACTED]

[REDACTED]

RE: Your FOIA Request to Treasury, Case Number 2025-FOIA-00858

Dear Lama Elsharif:

This is the Department of the Treasury's final response to your Freedom of Information Act (FOIA) request dated 12/11/2024. You requested copies of the following records:

"[C]opies of all delegations of authority to authorize, approve, or initiate a reduction in force; to implement a reduction in force; to define, establish, or identify one or more competitive areas; or to define, establish, or identify one or more competitive levels."

Your request has been processed under the provisions of the FOIA, 5 U.S.C. § 552. A search conducted within the Treasury Departmental Offices located 12 pages of records that are responsive to your request. After review, I have determined that those records will be released to you in their entirety. No exemptions have been claimed.

There are no fees assessed since allowable charges fell below \$25.

You may reach me via telephone at 202-622-0930, extension 2; or email at FOIA@treasury.gov. Please reference FOIA case number 2025-FOIA-00858 when contacting our office about this request.

Sincerely,

Mark Bittner
Director, FOIA and Transparency
Office of Privacy, Transparency, and Records

Enclosure:
Responsive Document Set (12 pages)



REAFFIRMED: July 15, 2024

SUBJECT: Reduction in Force (RIF)

1. **PURPOSE.** This directive applies to the U.S. Department of the Treasury, Departmental Offices (DO) and establishes, for purposes of a RIF: the competitive areas that create the geographical and organizational limits for RIF competition; and the competitive levels that include positions with the same grade (or occupational level) and classification series, and which are similar enough with respect to other applicable factors.
2. **SCOPE.** The provisions of this policy apply to all DO employees in the competitive service and excepted service. All members of the Senior Executive Service (SES) are excluded from this directive. Each competitive level consists of all positions in a competitive area in the same grade (or occupational level) and series, and similar enough in duties, qualification requirements, pay schedules, and working conditions so that an incumbent of one position could successfully perform critical elements of any other position without undue interruption. A competitive level may consist of many positions, a few positions, or only one. A job that is highly specialized and not interchangeable with any other job is in a competitive level all by itself. Every job in a competitive area in which a reduction in force will occur must be assigned to a competitive level.

The following personnel actions are effected under statute and regulation other than RIF, and are thereby excluded from this policy:

- The termination of a temporary or term promotion or the return of an employee to the position held before the temporary or term promotion or to one of equivalent grade and pay;
- A change to lower grade based on the reclassification of an employee's position due to the application of new classification standards or the correction of a classification error;
- A change to lower grade based on the reclassification of an employee's position due to erosion of duties, except that this exclusion does not apply to reclassification actions that will take effect after an agency has formally announced a RIF in an employee's competitive area and when the RIF will take effect within 180 days (this exception ends at the completion of the RIF);
- Placement of an employee serving on an intermittent, part-time, on-call, or seasonal basis in a non-pay and non-duty status in accordance with conditions established at time of appointment;
- Change in an employee's work schedule from other-than-full-time to full-time;
- A reduction in the number of schedule hours within a part-time tour of duty (ex: from 32 hours to 16 scheduled hours per week);
- A reduction in rank (ex: reassignment from a supervisory position to a non-supervisory position), to include any claimed constructive demotion;
- A furlough of 30 or fewer continuous days, or of 22 or fewer discontinuous workdays.

3. **POLICY.** DO will consider and utilize every reasonable option to mitigate the scope and size of a proposed RIF, consistent with applicable statute, regulation, and policy. DO will accomplish any necessary reductions in a fair, uniform, and consistent manner.
4. **REFERENCES:**
 - a. 5 USC §§ 3501 – 35045 C.F.R., Part 351 Reduction in Force (Subparts B-I)
 - b. Office of Management and Budget Memorandum 17-22 (April 12, 2017)
 - c. OPM’s Workforce Reshaping Operations Handbook

This policy supplements policies and requirements contained in the references cited above. It is not self-contained, and must be read in conjunction with the cited references.

5. **DEFINITIONS.**

- a. **Adjusted Service Computation Date (ASCD):** Includes all actual creditable service identified in the Service Computation Date (SCD) and additional retention service credit for performance appraisals authorized by 5 CFR 351.504.
- b. **Competing Employees:** An employee in one of three tenure groups in either the competitive or excepted service as defined in **PROCEDURES**, Part A.
 - a. **Note:** Tenure information is located in section 24 of the employee’s SF-50 (Notification of Personnel Action).
- c. **Competitive Area:** Is defined solely in terms of organizational unit(s) and geographical location which may consist of all or part of an agency and must include all employees within the defined area.
- d. **Competitive Level:** Consists of all positions in a competitive area in the same grade (or occupational level) and series, and which are similar enough in duties, qualification requirements, pay schedules, and working conditions so that an incumbent of one position could successfully perform critical elements of any other position without undue interruption.
- e. **Days:** Calendar days.
- f. **Function:** All or a clearly identifiable segment of an agency’s mission (including all integral parts of that mission), regardless of how it is performed.
- g. **Furlough:** The placement of an employee in a temporary non-duty and non-pay status for more than 30 consecutive calendar days, or more than 22 workdays if done on a non-continuous basis, but not more than 1 year.
- h. **Local Commuting Area:** The geographic area that usually constitutes one area for employment purposes. It includes any population center (or two or more neighboring ones) and the surrounding localities in which people live and can reasonably be expected to travel back and forth daily to their usual employment.
- i. **Modal Rating:** The summary rating level assigned most frequently among the actual ratings of record that are : (1) Assigned under the summary level pattern that applies to the employee’s position of record on the date of the reduction in force; (2) given within the same competitive area, or at the agency’s option within a larger subdivision of the agency or agency wide; and (3) on record for the most recently completed appraisal period prior to the date of issuance of reduction in force notices after which no new ratings will be put on record.

- j. **Occupational Series:** A subdivision of an occupational group or job family consisting of positions similar as to specialized line of work and qualification requirements. Series are designated by a title and number.
- k. **Rating of Record:** The final performance rating which is completed at the end of an appraisal period for performance of agency-assigned duties over the entire period and where an employee is assigned a summary rating level (e.g., Outstanding, Exceeds, Fully Successful).
- l. **Reorganization:** The planned elimination, addition or redistribution of functions or duties within an organization.
- m. **Retention Register:** A list of competing employees within a competitive level in the order of their relative standing with regard to retention and release during a RIF.
- n. **Reduction in Force (RIF):** A systematic process used by management to identify the numbers and types of positions to be eliminated as outlined in 5 CFR, part 351.
- o. **Reduction in Force (RIF) Notice:** A written notice which identifies the action to be taken, the reason for the action, and its effective date. It also includes the competitive area, competitive level, subgroup, service date and three most recent ratings of record received during the last 4 years, the place where employees may inspect the regulations and records, re-employment rights, and (if applicable) the employee's right to appeal or grieve.
- p. **Service Computation Date (SCD):** The constructed date that reflects an employee's total creditable Federal service. The length of active military service is creditable only if the employee meets the requirements of the regulation, 5 CFR § 351.503(b).
- q. **Transfer of Function:** The transfer of the performance of a continuing function from one competitive area to one or more other competitive areas.
- r. **Undue Interruption:** A degree of interruption that would prevent the completion of required work by the employee 90 days after the employee has been placed in a different position. The 90-day standard may be extended if placement is made in first or second-round RIF competition to a low priority program or to a vacant position.

6. **REQUIREMENTS:**

DO is required to be in compliance with Office of Personnel Management's (OPM) RIF regulations and therefore must determine which positions are required, where they are to be located, and when they need to be filled, abolished or vacated in order to meet the mission. An agency may have many reasons to release employees in the competitive or excepted service; the most common are: lack of work, shortage of funds, insufficient personnel ceiling, and reorganization.

To prepare for a RIF, DO must determine the following:

- a. **Competitive Area:** The organizational boundaries within which employees compete for retention in their competitive level. See Attachment A for a listing of DO Competitive Areas.
- b. **Competitive Level:** All positions in a competitive area which are the same grade (or occupational level) and classification series and which are similar enough in duties, qualification requirements, pay schedules, and working conditions so that management

may reassign the incumbent of one position to any of the other positions in the level without undue interruption.

- c. **Retention Register:** When a competing employee is to be released from a competitive level, DO will establish a separate retention register for that competitive level. The retention register, which is prepared from the current personnel records of the employee, is a list of competing employees within a competitive level who are grouped by tenure, veterans' preference, and length of service as augmented by performance credit. With the exception of employees on military duty with restoration rights, DO will enter on the retention register, in the order of retention standing, the name of each competing employee who is :

- In the competitive level;
- Temporarily promoted from the competitive level by temporary or term promotion; or
- Detailed from the competitive level under appropriate authority

A separate listing will be prepared for employees serving under a time limited appointment or promotion to a position in a competitive level considered for RIF along with their expiration date.

7. **PROCEDURE.** The retention standing procedures identified below will assist the HR staff in determining where employees will be placed on the retention register:

- a. **Order of Retention – Competitive Service:** Competing employees shall be classified on a retention register on the basis of their tenure of employment, veteran preference, length of service, and performance rating in descending order as follows:

- By tenure group 1, group 2 or group 3
- Within each group by veteran preference subgroup AD, subgroup A, subgroup B
- Within each subgroup by years of service as augmented by credit for performance beginning with the earliest service date

Tenure Group 1 includes each career employee who is not serving under a probationary period. A supervisory or managerial employee serving a probationary period required by 5 C.F.R. Part 315, subpart I is in Group 1 if the employee is otherwise eligible to be included in this group.

Tenure Group 2 includes each career-conditional employee, and each employee serving a probationary period under 5 C.F.R. 315 subpart H. (A supervisory or managerial employee serving a probationary period required by 5 C.F.R. 315 subpart I, is in group 2, if the employee has not completed a probationary period under 5 C.F.R. 315 subpart H)

Tenure Group 3 includes all employees serving under indefinite appointments, temporary appointments pending establishment of a register, status quo appointments,

term appointments, and other nonstatus temporary appointments which meet the definition of provisional appointments in 5 C.F.R. §§ 316.401 and 316.403.

- **Subgroup AD** includes each preference eligible employee who is eligible for RIF preference and who has a compensable service-connected disability of 30 percent or more.
 - **Subgroup A** includes each preference eligible employee who is eligible for RIF preference and is not included in subgroup AD (including eligible spouses, widowers and mothers of veterans).
 - **Subgroup B** includes each non-preference eligible employee and others not eligible for RIF preference in Subgroup AD and A.
- b. **Order of Retention – Excepted Service:** Competing employees shall be classified on a retention register in tenure groups on the basis of their tenure of employment, veteran preference, length of service, and performance rating in descending order of Tenure Group, as described in 5 C.F.R. § 351.502(b).
- c. **Length of Service:** All civilian service as a Federal employee, as defined in 5 U.S.C. 2105(a), and certain military service as authorized by 5 U.S.C. 3502(a)(A) and (B) and defined in 5 U.S.C. 2101(3), is creditable for purposes of RIF. An employee may not receive dual service credit for active duty service performed in the Armed Forces that was performed during concurrent civilian employment as a Federal employee.

DO will be responsible for ensuring that all service computation dates (SCD) and adjusted service computation dates (ASCD) for each employee competing for retention are correct. The SCD includes all actual creditable service, and the ASCD includes all actual creditable service and additional retention service credit for performance authorized by 5 C.F.R. § 351.504.

The SCD is computed based on the following basis:

- The effective date of appointment as a Federal employee when the employee has no previous creditable service, or
- The date calculated by subtracting the employee's total previous creditable service from the most recent effective date of appointment as a Federal employee

The ASCD is computed based on using one of the dates listed above and subtracting the additional retention service credit for performance authorized by §351.504.

- d. **Credit for Performance:** Employees will receive additional service credit for performance based on their official ratings of record. Credit for performance is based on the numerical average (rounded up to the next higher whole number) of an employee's three most recent ratings of record received during the 4-year period prior to the date of issuance of a RIF notice regardless of the rating system.

Employees who do not have any ratings of record during the 4-year period prior to the date of issuance of RIF notices will receive credit for performance based on the modal rating for the summary level pattern that applies to their official position of record at the time of the RIF. Employees who have received at least one, but fewer than three, previous ratings of records during the applicable 4-year period will receive retention service credit for performance on the basis of the value of the actual rating(s) of record divided by the number of actual ratings received.

DO will apply the following years when adjusting service credit dates for each level of performance rated:

- 20 years of credit for Outstanding or Equivalent
- 16 years of credit for Exceeds or Equivalent
- 12 years of credit for Fully Successful or Equivalent
- No credit will be given for ratings below Fully Successful

In accordance with 5 C.F.R. 351.504(d) and (e), DO has the authority to vary the credit given for performance in situations where there are mixed rating patterns. The number of years of additional service credit can be awarded differently for the same RIF in different competitive areas or for RIFs run at different times. When making the decision regarding the amount of additional service credit to assign each level, DO will base the decision on an analysis of the unique situation of the competitive area, the mix of summary patterns, and the relative number of employees under each pattern.

If necessary, DO will establish a cutoff date after which no new ratings of record will be used for purposes of the RIF. When a cutoff date is used, it will be 15 calendar days prior to the issuance of the RIF notices.

The 4-year period is calculated back from either the date DO issues a RIF notice or, if applicable, the cutoff date in relationship to the performance cycle.

- e. **Records:** DO is responsible for maintaining correct personnel records that are used to determine the retention standing of its employees. Retention registers and related completed records used by the agency will be available for inspection by an employee who has received a specific RIF notice and/or their representative and an authorized representative of OPM. An employee who has not received a specific RIF notice has no right to review retention registers and related records. DO must ensure that each employee's access to retention records is consistent with both the Freedom of Information Act (FOIA) (5 U.S.C. 552) and the Privacy Act (5 U.S.C. 552a).

DO will preserve all registers and records relating to a RIF for at least 1-year after the date it issues a specific RIF notice in accordance with 5 CFR 351.505(f). All applicable records will be maintained in the Electronic Official Personnel Folder (eOPF) and HR Connect.

- f. **Effective Date of Retention Standing:** The retention standing of each employee released from a competitive level is determined as of the date the employee is so released. The retention standing of each employee retained in a competitive level as an exception is

determined as of the date the employee would have been released had the exception not been used. When DO discovers an error in the determination of an employee's retention standing, it will correct the error and adjust any erroneous RIF action using the effective date determined above.

- g. **Release from Competitive Level:** DO will select competing employees for release from a competitive level in the inverse order of retention standing, beginning with the employee with the lowest standing on the retention register. The DO RIF Team will identify procedures that will be applied to break ties when two or more employees have identical retention standing. DO may not release a competing employee from a competitive level while retaining in that level an employee with a lower retention standing except as required under 5 C.F.R. Part 351, subpart F.

DO may not release a competing employee from a competitive level while retaining in that level an employee with: a specifically limited temporary appointment; a specifically limited temporary or term promotion; or a written decision of removal or demotion from the competitive level, under 5 C.F.R. part 432 or 5 C.F.R. 752.

An employee reached for release from a competitive level shall be offered assignment to another position in accordance with 5 C.F.R. Part 351, subpart G (Bump and Retreat Rights). If the employee accepts, he/she will be assigned to the position offered. If the employee has no assignment rights or doesn't accept an offer under subpart G, the employee will be furloughed or separated.

DO may furlough a competing employee only if the agency intends to recall the employee to duty in the same position from which they were furloughed within one year; DO may not separate a competing employee while an employee with lower retention standing in the same competitive level is on furlough; DO cannot furlough a competing employee for more than one year and when it recalls employees to duty from furlough status, DO will recall them in the order of their retention standing beginning with highest standing employee.

Mandatory exceptions apply for Armed Forces restoration rights and use of annual leave to reach initial eligibility for retirement or continuance of health benefits. Please see 5 C.F.R. Part 351.606 for additional information.

- h. **Assignment Rights (Bump and Retreat):** When a tenure Group 1 or tenure Group 2 competitive service employee with a current annual performance rating of record of successful (Pass or equivalent) or higher is released from a competitive level, the employee shall be offered assignment, rather than furlough or separation, to another competitive position which requires no reduction, or the least possible reduction, in representative rate. The assignment shall be carried out in accordance with 5 C.F.R. § 351.701. The following conditions apply:

- The employee must be qualified for the offered position
- The offered position shall be in the same competitive area
- The offered position shall last at least 3 months

- The offered position shall have the same type of work schedule

Upon accepting an offer of assignment, or displacing another employee, the employee retains the same status and tenure in the new position. The promotion potential of the offered position is not a consideration in determining an employee's right of assignment.

- 1) **Bumping:** A released employee is "bumped" when the employee is assigned to a position that is held by another employee in a lower tenure group or in a lower subgroup within the same tenure group and is no more than three grades (or appropriate grade intervals or equivalent) below the position from which the employee has been released.
- 2) **Retreating:** A released employee "retreats" when the employee is assigned to a position that is held by another employee with a lower retention standing in the same tenure group or subgroup, is not more than three grades (or appropriate grade intervals or equivalent) below the position from which the employee has been released, and is the same position or essentially the same position formerly held by the released employee on a permanent basis as a competing employee in a Federal agency. For preference eligible employees with a compensable service connected disability of 30% or more, the limit is five grades (or appropriate grade intervals or equivalent) below the position from which the employee has been released.
- 3) **Limitation:** The determination of equivalent grade intervals shall be based on a comparison of representative pay rates. Each employee's assignment rights shall be determined on the basis of the pay rates in effect on the date of issuance of a specific RIF notice, except when it is officially known on the date of issuance of notices that the new pay rate has been approved and will become effective by the effective date of the RIF action. In this case, assignment rights shall be determined based on the new pay rate.

In determining applicable grades (or grade intervals), DO will use the grade progression of the released employee's position of record to determine the grade (or interval) limits of the employee's assignment rights.

- 4) **Qualifications:** An employee is qualified for assignment when the employee:
 - Meets the OPM standards and requirements for the position, including any minimum education requirement and any selective placement factors established,
 - Is physically qualified, with reasonable accommodation where appropriate, to perform the duties of the position,
 - Meets any special qualifying conditions which OPM has approved for the position, and
 - Has the capacity, adaptability, and special skills needed to satisfactorily perform the duties of the position without undue interruption. This determination includes recency of experience, when appropriate.

An employee who is released from a competitive level during a leave of absence because of a compensable injury may not be denied an assignment right solely because the employee is not physically qualified for the duties of the position if the physical disqualification resulted from the compensable injury. Such an employee must be afforded appropriate assignment rights subject to recovery. Please refer to 5 C.F.R. §351.702 (c) and (d) for additional guidance.

DO may assign an employee to a vacant position without regard to OPM standards and requirements for the position if the employee meets any minimum education requirement for the position and DO determines that the employee has the capacity, adaptability, and special skills needed to satisfactorily perform the duties and responsibilities of the position.

- i. **Notice to Employee:** Each competing employee selected for release from a competitive level is entitled to a specific written notice at least 60 full days before the effective date of release. When a RIF is caused by circumstances not reasonably foreseeable, the ASM may request that the Director of OPM approve a notice period of less than 60 days. However, the shortened notice period must provide for at least 30 full days advance notice before the effective date of release. The request to OPM shall specify the following:

- The RIF to which the request pertains;
- The number of days by which DO requests that the period be shortened;
- The reasons for the request; and
- Any other additional information that OPM may specify.

In either case, the notice period begins the day after the employee receives the notice.

- 1) **Content of Notice:** The notice must contain the following:

- The action to be taken, the reasons for the action, and its effective date;
- The employee's competitive area, competitive level, retention subgroup, retention service date, and three most recent ratings of record received during the last 4-years before the agency issued the RIF notice;
- The place/location where the employee may inspect the regulations and records pertinent to this RIF;
- The reason for retaining a lower-standing employee in the same competitive level, if applicable;
- Information on Career Transition Assistance Program (CTAP);
- Information on Reemployment Priority List (RPL);
- Information on reemployment rights;
- The employee's right, as applicable, to appeal to the Merit System Protection Board (MSPB) under the provisions of the Board's regulations (and the notice must otherwise comply with 5 C.F.R. §1201.21);

- A copy of OPM's retention regulations;
- Information on how to apply for unemployment insurance and any benefits available under the State's Workforce Investment Act of 1998 programs; and
- An estimate of severance pay, if eligible

The employee must also be given a form to authorize DO's release of his/her resume, and other relevant employment information, for employment referral to the State Unit or entity established under Title I of the Workforce Investment Act of 1998 and potential public and private sector employers.

- 2) **Expiration of Notice:** A notice expires when followed by the specified action, by an action less severe than specified in the notice, or an amendment to the notice before the effective date of the action. Action may not be taken before the effective date in the notice.
- 3) **Status during Notice Period:** When possible, DO will retain employees on active duty status during the notice period. In an emergency, due to lack of work or funds for all or part of the notice period, DO may place an employee on leave without pay with his/her consent, or in a nonpay status without his/her consent.
- 4) **Certification of Expected Separation:** To enable employees to be considered for eligibility to participate in the dislocated worker programs under the Workforce Investment Act of 1998, DO will issue a Certificate of Expected Separation Notice to all competing employees, who with a reasonable degree of certainty, will be separated from Federal employment by RIF procedures. This certification may be issued up to 6 months prior to the effective date of separation. In addition, Treasury CTAP guidelines will be followed upon issuance of the certification.
 - The certification will be addressed to each individual eligible employee and will be signed by the appropriate agency official. DO will follow all guidelines outlined in 5 C.F.R. §351.807 as to the appropriate information that must be contained in the certification.

- j. **Appeals and Corrective Action:** An employee who has been furloughed for more than 30 days, separated, or demoted by a RIF action may appeal to the Merit Systems Protection Board.

If it is decided that an action under RIF procedures was unjustified or unwarranted and the individual is restored to their former grade or rate of pay held, or to an intermediate grade or rate of pay, the restoration shall be retroactive to the effective date of the improper action.

8. **RESPONSIBILITIES.**

- a. The **Assistant Secretary for Management (ASM)** is responsible for determining the need to implement a Reduction in Force (RIF) and will review and analyze DO mission

- requirements to determine if objectives can be met by reshaping the organization versus RIF. This responsibility may be delegated to the appropriate management official.
- b. The **Deputy Assistant Secretary for Management and Budget** is responsible for determining the availability of funds as required.
 - c. The **Deputy General Counsel** or his/her designee is responsible for determining legal sufficiency and congressional requirements as required.
 - d. The **Associate Chief Human Capital Officer (ACHCO), Executive and Human Capital Services** is responsible for establishing a RIF Team and the overall administration of the RIF process. The ACHCO is also responsible for authorizing permissive exceptions to the order of release.
 - e. The **Director, Office of Human Resources** is responsible for coordinating the RIF team's work with DO organizations and with agency management. He/She will also be responsible for actually carrying out the RIF actions and managing the post-RIF issues.
 - f. **Managers and Supervisors** are responsible for ensuring that position descriptions are current and accurate, engaging employees in the establishment and documentation of performance plans, and ensuring that employees receive annual performance ratings in a timely manner.
 - g. **Employees** are responsible for verifying that the information in their Official Personnel File is correct and current.
9. **OFFICE OF PRIMARY INTEREST.** Office of Human Resources and the Office of the Assistant Secretary for Management.
10. **ACCOUNTABILITY:** DO's Human Resources Office will be responsible for ensuring that all steps of the RIF process are carried out in accordance with OPM's guidance.

/S/

Kody H. Kinsley

Assistant Secretary for Management

ATTACHMENT A

COMPETITIVE AREAS

DO has identified the following competitive areas:

- Terrorism and Financial Intelligence (TFI), to include OFAC and TEOAF;
- International Affairs (IA);
- Domestic Finance (DF), to include OFS, CDFI, OCIP, FFB, SBLF, SSBCI, and FSOC secretariat;
- Office of Financial Research (OFR), to include OFR attorneys in the OR-905 series;
- Management;
- Executive Direction - all others to include General Counsel, Tax Policy, and Econ Policy.