

MODULE 2 OF 5

Coverage and Retention Standing

Scoping the competition, and ranking employees using the four retention factors

U.S. Office of Personnel Management

Workforce Policy & Innovation

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As corrected by 91 FR 54794 (Aug. 25, 2026) — non-substantive; effective date unchanged



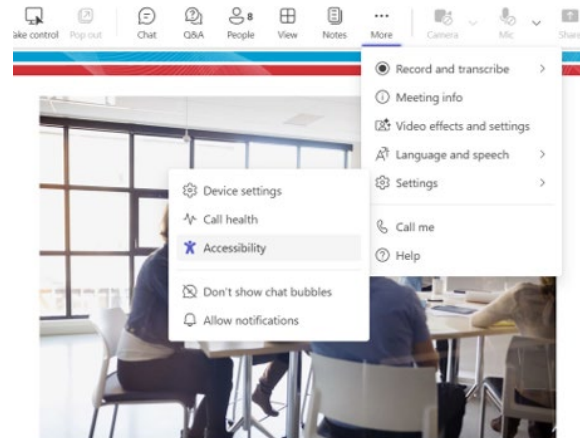
Housekeeping items

- A copy of this presentation is posted on OPM's Reductions in Force (RIF) page: opm.gov/policy-data-oversight/workforce-restructuring/reductions-in-force-rif
- Ask questions in the Q&A, but please wait until a topic is covered so you are not posting a question that has already been answered.
- Time is built in at appropriate points to take questions.

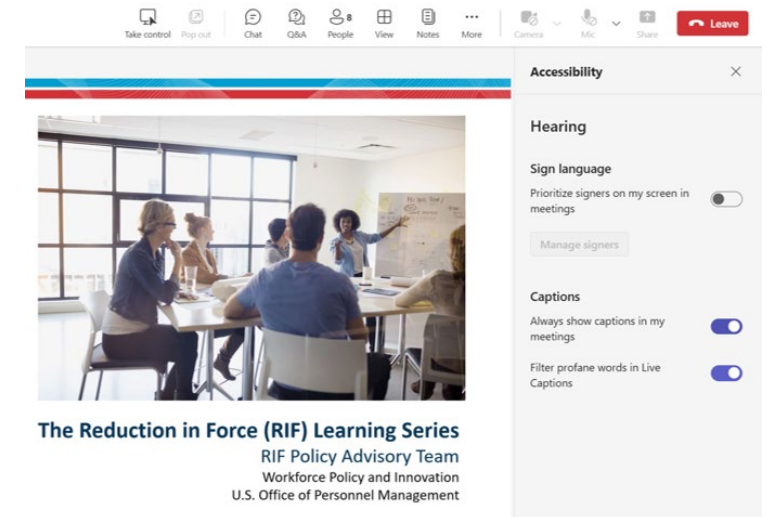
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M1

Module 1 recap

What changed, when it applies, and where Module 2 picks up

What Module 1 covered

The four headline changes from Module 1, and three things that follow from them.

1

Two registers

Competitive and excepted service employees are ranked separately, each with subgroups I and II.

2

Performance leads

Performance credit is the primary ranking factor within each register, not the last tie-breaker.

3

Preference as points

Veterans preference is added as 3 or 5 points on top of performance credit, not as a separate ordering step.

4

One assignment right

Bump and retreat are replaced by a single right to a qualifying position held by an employee with lower standing.

1

The notice date decides which rules apply

A notice issued before September 2, 2026, is processed under the prior regulations; one issued on or after that date uses the revised provisions in full. No mixing, no election.

2

A RIF is a position action, not a people action

Competitive areas and levels are built from organizational units and official position descriptions. Nothing turns on who anyone would prefer to keep.

3

The arithmetic, in one line

Ratings convert to points - 7, 5, 3, 0, 0 - for a maximum of 21 before preference. Add 5 or 3 preference points, then break ties on tenure subgroup and service date.

How the ranking changed

Same four factors required by law. New order, and new arithmetic.

Under the previous rules

- Three tenure groups (I, II, III), plus a group 0 designation for temporary appointments
- Veterans preference expressed through three subgroups (AD, A, B) within each tenure group
- Length of service ranked employees through the service computation date
- Performance came last, as extra retention service credit added to the service date
- Placement worked through “bump” and “retreat” rights

Under the new rules

- Two tenure groups - competitive and excepted service - on separate registers, subgroups I and II
- Performance credit is the primary ranking factor within each register
- Veterans preference is added as 3 or 5 points on top of performance credit
- Tenure subgroup breaks the first tie; service computation date breaks the second
- One consolidated right of assignment to a position held by a lower-standing employee

WHERE MODULE 2 PICKS UP

Module 1 walked all nine steps. Module 2 covers steps 1 through 6: competitive area, competitive levels, who competes, performance credit, preference points, and reading the register.

What you will be able to do

Five outcomes.

1 Define a competitive area

Apply the organizational unit rules, the approval level, and the 90-day OPM submission trigger.

2 Build competitive levels

Group interchangeable positions correctly, and recognize what is never a basis for splitting a level.

3 Identify who competes

Sort competing employees, excluded employees, and employees with restoration rights.

4 Calculate credit

Score three ratings, and handle employees with fewer than three ratings of record.

5 Rank a register

Add preference points, break ties in the right order, and read the release order off the register.

! Remember

Positions and records drive every step. Nothing here turns on who anyone would prefer to keep.

Questions

1

Scoping the competition

Competitive areas, competitive levels, and who competes

FIRST QUESTION

Is this even a RIF?

You need a covered action taken for a covered reason. Both, or it is a different authority.

Covered actions

- Furlough of more than 30 consecutive calendar days, or more than 22 discontinuous workdays within one year
- Separation
- Demotion
- Reassignment requiring displacement
- Not covered: an emergency shutdown furlough from a lapse in appropriations, where nobody knows at the outset how long it will last

Covered reasons

- Lack of work
- Shortage of funds
- Insufficient personnel ceiling
- Reorganization
- Exercise of reemployment or restoration rights

DO NOT SUBSTITUTE

A RIF is not a substitute for other procedures. Using RIF to remove an employee who should be handled through adverse action or performance procedures is improper, and it will not survive review.

STEP 1

Define the competitive area

This one decision determines who competes with whom. Get it right, and document why.

1 Use organizational units

A competitive area is defined by the agency's organizational unit or a combination of units on the official organizational chart, and must include all employees in it.

2 The chart must be available

Organizational charts must be posted on the agency's public-facing web page or otherwise appropriately documented.

3 Approval sits high

The unit must be designated or approved by the agency head or a designee, and that authority cannot be delegated below headquarters level.

4 The unit must be genuinely distinct

Clearly distinguished from other units in operation, work function, staff and supervisory oversight.

5 Geographic option and remote employees

A geographic location - a national park or county - may be a separate area. An employee at an approved alternate work location belongs to their official organizational unit.

6 The 90-day rule

If the area is newly established or materially modified within 90 days of notices, send OPM the description and a written explanation of its organizational basis for approval first.

STEP 2

Build competitive levels

Positions, not people. A competitive level is a set of interchangeable positions.

A competitive level groups positions that are

- In the same grade or occupational level
- In the same classification series
- Similar enough in duties, qualification requirements, pay schedules and working conditions that the incumbent of one could be reassigned to another without undue interruption to the work
- Built from the official position of record and its description - never from an individual's qualifications or performance
- Any size: a level can contain a single unique position

Separate competitive levels are required for

- Different excepted service appointing authorities
- Different pay systems or pay schedules
- Different work schedules: full-time, part-time, intermittent, seasonal
- Formally designated trainee or developmental program positions
- Positions where obtaining an equivalent security clearance would extend more than 90 days past the RIF effective date

DO NOT SPLIT ON THESE

Never a basis for a separate level: promotion potential, changing shifts, hours worked by other-than-full-time employees, a supervisory probationary period, mobility agreements or travel, locality or local wage area differences, or gender absent an approved Bona-fide Occupational Qualification (BFOQ). Pick one local commuting area and use it for every pay schedule.

STEP 3

Who competes, and who does not

Employees excluded from competition are still owed a notice. They are not owed a ranking.

Competing employees

- **Competitive service** — career and career-conditional employees past initial probation; subgroups I and II
- **Excepted service** — career excepted service employees past a trial period; subgroups I and II

Excluded from competition

- **Initial probation or trial period** — 5 CFR 11.2 or 11.3
- **Temporary appointments** — time-limited, one year or less
- **Schedule C and Schedule G** appointments
- **Supervisory or managerial probation:** only when serving concurrently with the initial probationary period
- **Employees on uniformed service duty**

1

Excluded Employees: When a RIF Notice Is Required

An agency may either retain excluded employees or may furlough, separate, demote, or reassign them without using RIF procedures. A RIF notice must be issued if the agency chooses to furlough, separate, demote, or reassign. The RIF notice must include the reason for separation, demotion, reassignment or furlough over 30 days effective date, regulation link, record access, reemployment and appeal information, and that they were not ranked. A temporary or time-limited appointment simply expiring on its own terms is not a RIF action.

STEP 3 CONTINUED

Building the register itself

Two groups of people, and only one of them gets ranked.

1 On the register

Every competing employee holding an official position of record in the level - including employees temporarily or term promoted out of it or detailed from it - who has completed probation or a trial period.

2 On a separate list

Employees in the level who do not compete: time-limited temporary appointments, term and temporary promotions, employees on military duty with restoration rights to the level, and anyone with a final written decision of removal or demotion for unacceptable performance or adverse action.

PUT THEM ON THE RIGHT LEVEL

An employee who has received a written decision of demotion competes from the position they are being demoted into, not the one they are leaving.

Questions

2

Ranking employees

The four retention factors: performance, veterans preference, tenure, and length of service

How the four factors now apply

One ordered list, built on three values in sequence.

1

Separate registers

Competitive service and excepted service employees are ranked separately

2

Total credit

Performance credit plus preference points, in descending order

3

Tenure subgroup

Subgroup I is listed ahead of subgroup II at the same total

4

Service date

The earlier service computation date is listed first

1

Release runs from the bottom of the register up

The employee with the lowest retention standing is released first, then the next lowest, until the required number of employees have been released.

2

When all factors are tied it is the agency's choice

If two employees have the same total credit, the same tenure subgroup and identical service dates, the agency may select either one for release.

3

Status is fixed at the notice

Tenure subgroup and retention standing are determined as of the date the employee receives the specific RIF notice.

STEP 4

Calculate performance credit

Score each of the three ratings used, then add them together.

Summary level	Common descriptor	Points per rating
Level 5	Outstanding or equivalent	7
Level 4	Exceeds Fully Successful or equivalent	5
Level 3	Fully Successful or equivalent	3
Level 2	Minimally Satisfactory or equivalent	0
Level 1	Unacceptable	0

1

Use the three most recent ratings of record

From the four-year period before notices are issued, or before your agency cutoff date if one is used.

2

The rating has to be real and available

Issued to the employee with all required reviews and signatures, and on record and available to the office building the registers.

3

Apply the same rules to everyone in the area

Use of ratings must be uniform across the competitive area and consistent with your agency implementing issuance.

Fewer than three ratings of record

New hires, employees returning from a detail, and anyone with a gap in their appraisal history.

0 No ratings in the window

Use the modal rating for the summary level pattern of the employee's position of record at the time of the RIF.

Modal rating: the rating most often assigned under that pattern.

1 One rating in the window

Multiply the points for that rating by three. A single Level 4 rating gives $5 \times 3 = 15$.

2 Two ratings in the window

Average the two actual values for a proxy, then add all three. Level 5 (7) and Level 3 (3) give a proxy of 5, so credit is 15.

1 Rounding is not required

A proxy can end in .5. Level 5 (7) and Level 4 (5) average to 6, but Level 5 (7) and Level 2 (0) average to 3.5. Do not round it away.

2 Identify these employees early

Pull the list of employees with fewer than three ratings before you start scoring, and document each calculation as you make it.

3 Extra credit is an agency choice

Where your agency rates pass/fail, or employees hold ratings from different patterns, the agency may add credit for documented exceptional performance under 5 CFR 351.503(d)-(e), using criteria published in advance. That discretion runs on § 430.208(d) as it read before July 7, 2026 (91 FR 41521).

Ratings from more than one pattern

5 CFR 351.503(e): employees in one competitive area were rated under different summary level patterns.

A Adjust only with evidence

Raise a rating only for documented exceptional performance: the highest agency or departmental award, a quality step increase, or a performance award or bonus.

B Cap at the pattern's top level

A qualifying employee moves to the highest level of the pattern used in the RIF. Never to a level that pattern lacks.

C Pass/fail pattern in use

If the RIF pattern tops out at Level 3, the agency may give employees rated earlier under a higher pattern more credit than Level 3 employees without documented exceptional performance.

1 Adjusting ratings is optional

The agency decides in its sole and exclusive discretion whether to transmute the scores from the differing pattern. If it does not adjust, every rating stands as issued.

2 Write the rules down before the RIF

Document how exceptional performance becomes a higher rating, make the criteria reviewable, and apply them to all employees.

STEP 4 EXAMPLE

Example: employees rated under two patterns

The RIF uses a performance pattern with 4 summary levels. Cara and Dana transferred in from an agency that rates pass/fail (2 summary levels).

Employee	Ratings of record	Documented exceptional performance	Points as issued	Points after adjustment
Ben	4, 3, 3 (4 summary levels)	None	$5 + 3 + 3 = 11$	11
Cara	3, 3, 3 (pass/fail)	None	$3 + 3 + 3 = 9$	9
Dana	3, 3, 3 (pass/fail)	Highest agency award, year 2	$3 + 3 + 3 = 9$	$3 + 7 + 3 = 13$

1

The agency wrote its criterion in advance

Before the RIF it documented that a Level 3 rating from an earlier pattern becomes Level 5 when the employee won the highest agency award that year.

2

Only Dana qualifies

Cara has the same ratings but no documented award, so hers stay at Level 3. Ben was rated under a pattern with 4 summary levels and needs no adjustment.

3

The register order changes

Dana moves from tied with Cara at 9 to first at 13, ahead of Ben at 11. Veterans' preference points are added after this step.

STEP 5

Add veterans' preference points

Preference is now part of the score rather than a separate ordering step.

Subgroup	Who is in it	Points added
AD	Preference eligible with a 30 percent or more compensable disability	+5
A	Every other preference eligible employee	+3
B	Employees who are not preference eligible	0

1

Still label the subgroup

AD, A and B must appear on the register for each employee, even though the sort is driven by total points.

2

Preference can change the outcome

An employee with ratings of 4 / 4 / 4 and a 30 percent disability scores $5+5+5+5=20$, ahead of a non-preference employee with 5 / 5 / 4 scoring $7+7+5+0=19$.

3

Verify documentation before you score

Preference status and disability percentage must be supported in the record. Retired members of a uniformed service qualify only under specific conditions - check each one individually.

STEP 6

Length of service and the service date

It only breaks ties now - but ties are common, so the dates still have to be right.

1 What counts

All service as a Federal employee under 5 U.S.C. 2105(a). Other civilian service counts only where a statute makes it creditable for retention.

2 Military service

All active duty counts. A retired uniformed service member gets credit only for wartime or campaign-badge service, or total active service if preference eligible.

3 No double counting

No dual credit for active duty performed during concurrent civilian Federal employment.

4 Setting the date

Appointment date if there is no prior creditable service; otherwise the latest appointment date less total previous creditable service.

5 Budget real time for this

Service computation is possibly the most time-consuming step in preparing a RIF.

6 Check the documents

If an employee appeals, the agency defends the SCD with the records behind it .

Questions

PUTTING IT TOGETHER

Reading a completed register

Ranked by total credit, then tenure subgroup, then service date.

Rank	Name	Veterans' Preference subgroup	Ratings	Transmuted score	Total credit	Tenure subgroup	Service date
1	Rivera	B	5 / 5 / 4	$7 + 7 + 5 + 0 = 19$	19	I	2018-04-02
2	Singh	A	5 / 4 / 3	$7 + 5 + 3 + 3 = 15$	18	I	2013-08-15
3	Morgan	A	5 / 4 / 3	$7 + 5 + 3 + 3 = 15$	18	I	2020-01-27
4	Taylor	AD	4 / 4 / 3	$5 + 5 + 3 + 5 = 13$	18	II	2023-07-10
5	Nguyen	A	4 / 4 / 4	$5 + 5 + 5 + 3 = 15$	18	II	2023-11-06
6	Owens	B	5 / 5 / 3	$7 + 7 + 3 + 0 = 17$	17	I	2016-05-12

1

Rivera is first on points alone

$7 + 7 + 5 = 19$, with no preference points.

2

Four employees are tied at 18

Singh, Morgan and Nguyen each score 15 plus 3; Taylor scores 13 plus 5. Subgroup I is listed first, then the earlier service date.

3

Release order

One position abolished: Owens is released. Two positions: Owens, then Nguyen.

What employees may see

Records access is part of this module because it shapes how you build the register.

1

Who may inspect

An employee who has received a specific RIF notice, that employee's representative acting on their behalf, and authorized OPM representatives. An employee without a notice has no part 351 right of review.

2

What they may see

The complete register - including other employees' names, performance credit and service dates - plus any other retention register for a competitive level they could have been assigned to under 5 CFR 351.701(b).

3

Errors must be fixed

If the agency finds an error in retention standing, it must correct it and adjust the action to match the employee's proper standing.

4

Keep the records two years

All registers and records relating to the RIF are preserved at least two years after the specific notice, consistent with FOIA and the Privacy Act.

Questions

What's next

A short look at what Modules 3, 4 and 5 cover.

3

Release and assignment

Who gets released first, when you must keep a lower-standing employee, and what one offer of assignment has to look like - including the new skills assessment.

4

RIF notices

The 60-day notice and everything it must contain, including the employee's subgroups, service date and three ratings of record; modified notices; and the separation package.

5

RIF appeals

Where an appeal goes and by when, what the agency has to produce, and the other routes an employee may use - grievance, EEO, OSC, RPL appeal.

Contact & Resources

Workforce Policy and Innovation (WPI)

U.S. Office of Personnel Management

RIF policy questions and technical assistance: WPIntake@opm.gov

Key Resources

- RIF Resources and Templates — opm.gov/workforce-restructuring
- RIF Quick Reference Guide — 5 U.S.C. Chapter 35 and 5 CFR Part 351
- CHCO Council memoranda — chcoc.gov

Thank You

Please take a moment to complete a short survey to provide your feedback on today's session:

<https://surveys.opm.gov/se/5B5534D40939E98C>



A

Appendix: Tenure group reference tables

Appointment-by-appointment reference for assigning tenure groups and subgroups under 5 CFR Part 351.

- Competitive service — Subgroup I (permanent career) and Subgroup II (other tenured)
- Excepted service — Subgroup I (career, no conditions) and Subgroup II (career with conditions)
- Employees excluded from RIF competition under § 351.202(d)
- Six Mistakes to Avoid

Subgroup I — Permanent Career Employees

Career employees who completed their initial probationary period. These have the highest retention standing within the competitive service tenure group (when scores are tied).

Appointment type	Description	Probation / trial status
Career appointment	Permanent competitive service; completed probation. Standard route after 3 years of career-conditional service.	Standard probation complete
Pending career tenure (E.O. 10826)	Employee with substantial evidence of eligibility to acquire career tenure; case pending OPM resolution.	Upon probation completion
Position converted to competitive service	Employee acquires competitive status when their position is brought into the competitive service and meets service requirement.	Upon probation completion
Administrative Law Judge (pre-Schedule E)	ALJs appointed before Schedule E was established who remain in the competitive service.	By statute
5 U.S.C. 3104 — Scientific / Professional	Specially-qualified scientific or professional personnel appointed under 5 U.S.C. 3104 or similar authority.	Upon probation completion
5 U.S.C. 3304(c) — Legislative / Judicial transfer	Employees who acquired competitive status through transfer from the legislative or judicial branch.	Upon probation completion

Subgroup II — Competitive Service Employees

Competitive service employees who have completed probation but have not yet achieved full career status. Ranks below Subgroup I only when scores are tied.

Appointment type	Description	Probation / trial status
Career-conditional appointment	Standard appointment for new competitive service hires. Becomes “career” automatically after 3 years of substantially continuous service. Subgroup II until that conversion.	Probation complete; <3 yrs
Term appointment (subpart C, >1 yr)	Appointments for 1–4 years for project-based or time-limited work. Not excluded (that exclusion only covers subpart D temps <1 yr). If probation complete, competes in Subgroup II.	Probation complete required
Indefinite appointment (competitive service)	Appointments with no fixed end date but not full career appointments (e.g., some reinstatement situations). If not qualifying for Subgroup I and probation complete.	Depends on appointment
Post-secondary student hire (5 U.S.C. 3116, >1 yr appt)	Per § 316.911: students whose initial appointment was expected to last more than 1 year are in the competitive service tenure group upon completing their initial probationary period.	Probation complete required

EXCEPTED SERVICE

Subgroup I — Career, No Conditions

Excepted service career employees (not Schedule C or G) who have completed their trial period AND whose appointment carries no restriction, condition, or time limit.

Appointment type	Description	Probation / trial status
Schedule A (disability hiring, etc.)	Permanent career position under Schedule A (e.g., 5 CFR 213.3102(u) — persons with disabilities). Completed trial period, no expiration or condition.	Trial complete; no conditions
Schedule B (exam-waived)	Permanent career position under Schedule B where competitive exam requirements are impractical. Completed trial period, no conditions.	Trial complete; no conditions
Schedule E (ALJ appointments)	Administrative Law Judges appointed under Schedule E. Career positions in excepted service with no conditions.	Career; no conditions
VRA — converted (after 2 years)	Veterans Recruitment Appointments convert to competitive service after 2 years of satisfactory service. Once converted and probation is complete, move to competitive service tenure group.	Pre-conversion: ES; post-conv: CS

Subgroup II — Career With Conditions

Excepted service career employees (not Schedule C or G) who have completed their trial period, but whose appointment carries some restriction, condition, or time limit greater than 1 year.

Appointment type	Description	Probation / trial status
Indefinite appointment (excepted service)	Excepted service appointment with no fixed end date but with conditions attached (e.g., “conditional” pending investigation, or other qualifications). Completed trial period.	Trial complete; has condition
Conditional appointment	Appointment made subject to a condition (e.g., pending investigation or other requirement). Completed trial period, but condition still applies.	Trial complete; pending condition
Schedule D (Pathways) — Intern, completed trial	Pathways Interns who have completed a trial period under § 11.3. The specific time limit on the appointment, greater than 1 year, places them in Subgroup II.	Trial complete; >1 yr limit
Time-limited excepted appointment >1 year	Excepted service appointments with a specific end date greater than 1 year (e.g., a 2-year or 3-year appointment). Completed trial period; specific time limit is the “condition.”	Trial complete; >1 yr limit

Not on the Retention Register (1 of 2)

These employees do not compete. Agencies may retain OR separate them without building a retention register. If separated for RIF reasons, they must still receive a modified RIF notice.

Category	Description	Status
Initial probationary period (competitive service)	Career or career-conditional employee who has not yet completed their initial probationary period under § 11.2.	Probation not complete
Trial period (excepted service)	Any excepted service career employee still serving their trial period under § 11.3.	Trial not complete
Temporary appointment <1 year (subpart D, competitive)	NTE (not-to-exceed) appointments of 1 year or less under 5 CFR part 316, subpart D. Includes most short-term emergency, seasonal, or intermittent hires.	<1 year appointment
Temporary / time-limited <1 year (excepted service)	Excepted service appointments limited to 1 year or less.	<1 year appointment
Schedule C and Schedule G appointments	Policy/confidential positions serving at the pleasure of the appointing official (Schedule C) and Schedule G positions (e.g., foreign national positions overseas). All Schedule C and Schedule G employees are excluded regardless of tenure.	Schedule C / G

Not on the Retention Register (2 of 2)

Continued from the previous slide. Special appointment authorities and separately governed populations.

Category	Description	Status
VRA — during 2-year trial period	Veterans Recruitment Appointments are excepted service. During the required 2-year service/trial period, the employee has not completed the trial period and is therefore excluded.	Trial period in progress
Pathways Intern (not yet converted)	Per § 362.205: Pathways Interns are covered by RIF rules only if they completed a trial period under § 11.3.	Trial not complete
Pathways Recent Graduate (trial not complete)	Per § 362.306: Recent Graduates enter an excepted service tenure group only upon completing a trial period under § 11.3. Until then they do not compete in a RIF.	Trial not complete
Post-secondary student hire (<1 year appt)	Per § 316.911: Students whose initial appointment was for 1 year or less are not assigned a tenure group and do not compete in a RIF.	<1 year appointment
SES (Senior Executive Service)	SES members are covered under separate provisions (5 CFR part 359) and are not subject to part 351 RIF procedures. They have distinct placement rights under 5 U.S.C. 3594–3595.	Separate SES rules

B

Appendix: Six mistakes to avoid

The six errors most likely to produce an incorrect register, grouped by area.

- Competitive levels and areas — levels built around people, late area changes
- Performance ratings — ratings not on record, undocumented missing-rating math
- Service dates — SCDs taken from a system without checking source documents
- Register software — tools not updated for this rule

Six mistakes to avoid in this module

1 Levels built around people

Grouping or splitting positions based on who holds them, rather than on the official position descriptions.

2 Late competitive area changes

Establishing or reshaping an area inside 90 days of notices without the OPM submission and approval.

3 Using a rating that is not on record

A rating without required signatures, or one the register office cannot access, cannot be used.

4 Undocumented missing-rating math

Modal, proxy and single-rating calculations all need to be written down before notices go out.

5 Unverified service dates

Taking SCDs from a system without checking the underlying documents.

6 Verify software is updated

Register software not updated for this rule will produce incorrect registers. Verify before you rely on it.

NEXT MODULE

Next: Module 3, RIF Release and Assignment Rights - running the competition, exceptions to the order of release, and what an employee is entitled to be offered.