

National Association of Forest Service Retirees

Employee Care Update - Shutdown Furlough and RIF Actions September 26, 2025

The following information is excerpted from current **furlough** and **reduction in force (RIF)** regulations and guidance on the Office of Personnel Management web site.

What is a shutdown furlough and why is a shutdown furlough necessary?

In the event that funds are not available through an appropriations law or continuing resolution, a “shutdown” furlough occurs. A shutdown furlough is necessary when an agency no longer has the necessary funds to operate and must shut down those activities which are not excepted pursuant to the Antideficiency Act (31 U.S.C. 1341-1342). Ref: [OPM Furlough Overview](#)

Furlough is the government’s term for temporary layoffs. In a shutdown furlough, an affected agency would have to shut down any activities funded by annual appropriations that are not excepted by law. Typically, an agency will have very little lead time to plan and implement a shutdown furlough.

A furlough of 30 or fewer calendar days, or of 22 or fewer discontinuous workdays, is considered an adverse action to employees under [5 CFR Part 752](#).

A furlough of more than 30 calendar days, or of more than 22 discontinuous workdays, is considered a RIF action under [5 CFR Part 351](#).

What actions are covered by the RIF regulations?

An agency must use the RIF regulations before separating or demoting an employee because of an organizational reason such as reorganization, including shortage of funds, lack of work, insufficient personnel ceiling, or the exercise of certain reemployment or restoration rights. In fact, virtually all RIF actions are the result of a reorganization (e.g., the agency reorganizes as the result of a shortage of funds, lack of work, restructuring, etc.). Ref: [OPM RIF Overview](#)

- An agency may not use the RIF regulations to separate or demote an employee for a personal reason, such as problems with the employee’s performance or conduct.

How a Shutdown Could Impact You as a Federal Employee

*If the federal government shuts down due to a federal funding lapse after 9/30/2025, it has been reported that the Trump Administration has directed Agencies to prepare **both shutdown furlough and RIF notices to employees**. All employees should receive a furlough notice identifying their position as excepted, exempt, or fully subject to a furlough.*

If a shutdown occurs, Agencies were told to proceed with RIF reorganization plans to retain only employees whose job functions are not required by law (or aligned to Trump Administration priorities). Furloughed employees and may also be given a 30-day RIF notice. This could result in mass employee separations after the 30-day RIF notice period.

Federal-wide use of shutdown furlough and RIF separations in this manner would be unlike anything we’ve seen in the past.

What are the categories of employees for furlough? Employees will be identified based on the work of their position as either excepted, exempted, or subject to furlough as described below.

- **Employees “excepted” from furlough:** In the context of shutdown furloughs, the term “excepted” is used broadly to refer to employees whose work is funded through annual appropriations *but who are not furloughed because they are performing tasks that, by law, are allowed to continue during a lapse in appropriations*. Those tasks are referred to as “excepted work.”

Such tasks may include emergency work involving the safety of human life or the protection of property or the performance of certain other types of “excepted work activities” as defined in DOJ and OMB guidance.

For example, an employee’s performance of authorized orderly shutdown activities is considered excepted work. In addition, work necessary to implement a funded function, where the suspension of such work during the lapse would prevent or significantly damage the execution of the terms of the applicable statutory authorization or appropriation is considered “excepted work” (e.g., cutting the checks for a benefit program for which funding remains available during the lapse and from which the law requires payments to be made).

An employee may be required to perform excepted work activities during part of a lapse period and furloughed for the rest of the time. These employees may also be able to use paid leave in certain situations.

- **Employees “exempt” from furlough:** Employees are “exempt” from furlough if they are not affected by a lapse in appropriations. This includes employees whose functions are not funded by annually appropriated funds. Employees performing those functions will generally continue to be governed by the normal pay, leave, and other civil service rules.
- **What about employees whose work is neither “excepted” nor “exempt”?** *Employees will be furloughed if their work is funded through annual appropriations and their work is not designated as excepted work.* These employees may not perform work during a shutdown other than to perform minimal activities as necessary to execute an orderly suspension of agency operations related to non-excepted activities.

Legal Basis for the RIF Regulations

The RIF regulations are derived from section 12 of the Veterans' Preference Act of 1944 and other statutes. These laws are codified in sections 3501 through 3503 of title 5, United States Code (5 U.S.C. 3501-3503). OPM implements these statutory requirements through regulations published in part 351 of title 5, Code of Federal Regulations ([5 CFR Part 351](#)).

The law provides that the RIF regulations must give effect to four retention factors:

1. Tenure of employment (i.e., type of appointment);
2. Veterans' preference;
3. Total creditable Federal civilian and uniformed service; and
4. Performance ratings.

RIF Notices

An agency must give employees specific written RIF notice at least 60 days before the employee is released from the competitive level by a RIF action. If faced with an unforeseeable situation (e.g., a natural disaster), the agency may, with OPM approval, give the employee a RIF notice of less than 60 days, but at least 30 days, before the effective date of the RIF.

Note: *The current Trump Administration has directed agencies to use 30-day RIF notices.*

RIF Appeals and Grievances

An employee who has been separated, downgraded, or furloughed for more than 30 days by RIF has the right to appeal to the Merit Systems Protection Board (MSPB) if the employee believes that the agency did not properly follow the RIF regulations. The released employee must file the appeal during the 30-day period beginning the day after the effective date of the RIF action. For employees in a bargaining union, check your Union's negotiated agreement to determine if you may file a grievance instead of an MSPB appeal.

How will RIF impact me?

- **Severance pay:** If you are separated involuntarily from federal service under RIF procedures, you'll be eligible for severance pay if you have completed at least 12 months of continuous service by the date of separation. The OPM RIF Benefits page includes the computation for severance pay based on years of service, basically 1 week's basic pay for each year of civilian service up through 10 years, plus 2 weeks' basic pay for each year of creditable service beyond 10 years. Note: Employees who retire with an immediate annuity under VERA or DSR will not receive severance pay.
- **Retained pay and grade:** If you are placed in a lower-graded position through RIF procedures, you will be entitled to retain the higher grade for two years if you completed at least 52 consecutive weeks at the higher grade. After two years, you are entitled to pay retention.
- **Repromotion consideration:** If you are downgraded because of RIF, you will receive priority consideration for promotion to positions up to your former grade level.
- **Reemployment consideration:** If you are separated by RIF, you are eligible for reemployment priority within the agency (RPL) and placement other federal agencies (ICTAP). *What to expect:* Since ALL federal agencies are downsizing right now, reemployment and placement options will likely be very limited for the foreseeable future. **OPM Guide to Career Transition**
- **Unemployment Compensation:** If you are separated by RIF, you may apply for federal unemployment compensation through your state unemployment office. You must present your social security card, official notice of separation or non-pay status (Standard Form 50), your RIF notice letter, and unemployment insurance notice (Standard Form 8).

How will RIF impact my federal employment benefits? If you are separated under RIF procedures, you have the following benefits entitlements.

- **Unused Annual Leave:** If you are separated under RIF, you are entitled to receive a lump sum payment for accrued annual leave, as well as any unused compensatory time or credit hours earned. If you are close to retirement age, you may be able to use annual leave to qualify for retirement benefits in some cases.
- **Unused Sick Leave:** You will not be paid for unused sick leave if you are separated. However, if you are later reemployed in the federal government, you are entitled to have your sick leave restored to your sick leave account. Be sure to keep a copy of your last earnings and leave statement (ELS) showing your leave balances.
- **Health Insurance (FEHB):** If you have been receiving Federal Employee Health Benefits (FEHB) but are not eligible for an immediate retirement annuity, you can continue health insurance free for 31 days after separation. You can then elect to continue receiving benefits under FEHB. However, continued coverage is not automatic. You must request it in writing within 60 days of separation (or within 60 days of receiving a notice from the agency that FEHB coverage is terminating). You must pay your share, the government's cost, and an additional 2 percent administrative fee. This totals 102 percent of the cost. This temporary extension of coverage can last for 18 months only. Your dependents can carry this coverage for up to 36 months. You can also convert to a private plan.

Employees retiring with an immediate annuity under VERA or DSR authority may continue their FEHB coverage into retirement if they were covered under the FEHB for the last 5 years of their federal service. Employees who don't meet this requirement may request a waiver to continue FEHB coverage.

- **Life Insurance (FEGLI):** You will be covered by Federal Employees Group Life Insurance (FEGLI) without cost to you for 31 days. If you are separated and not eligible for an immediate annuity, you can convert all or part of the life insurance to an individual policy without taking a medical examination. You can purchase the individual policy from any eligible insurance company. This will be a private transaction between you and the company. You will pay the entire premium of the conversion policy, and the conversion must be made within 31 days after the effective date of the separation.
- **Thrift Savings Plan (TSP):** When you separate from Federal service for more than 31 days, you can choose to leave your money in your TSP account if you have more than \$200 invested, or you can withdraw the vested TSP account balance. You will be taxed for any funds paid directly to you from TSP (if not rolled over into an IRA).

Once you leave the federal government, you'll no longer be able to make employee contributions. However, you can still change your investment mix, transfer eligible money into your account, and enjoy our low costs—all while your account continues to accrue earnings.

As you prepare to leave federal service, here are some important things you must do:

1. Make sure the TSP has your current address.
2. If you have any TSP loans, decide if you want to pay them off, keep them open and set up monthly payments, or allow them to be foreclosed and accept the outstanding balance and accrued interest as taxable income.
3. Read the TSP booklets Distributions and Tax Rules about TSP Payments to fully understand your options and their consequences.

- **Retirement Refunds:** If you separate from Federal employment before completing a minimum of 5 years of creditable civilian service, you will not be eligible to receive optional or deferred annuity benefits. However, you can request a refund of your FERS retirement contributions. If you receive a refund and are later reemployed with the federal government, you can repay the refunded amount plus interest so that the period of service covered by the refund can be included in the computation of annuity benefits.
 - You do not have to take a refund of your CSRS or FERS retirement contribution if you are separated from Federal service. Employees are paid interest on their FERS accounts, but they receive no interest on CSRS accounts that are more than 5 years old.
 - You have already paid taxes on the retirement deductions that have been deducted from your paycheck. However, you must also pay taxes on the *interest earned* on funds in your retirement account.

What are my retirement options if I am impacted by RIF?

- **Optional Retirement (FERS):** If you are under FERS, you will be eligible for an immediate annuity if you meet the following minimum age and service requirements:
 - Age 62 and 5 years creditable civilian service, or
 - Age 60 and 20 years total creditable service, or
 - Minimum retirement age (MRA) and 10 years total creditable service.
 - a date less than 1 full month before you reach age 62 if you have less than 20 years of service; or
 - the first day of any month after you have reached age 60 if you have at least 20 years of service.

If you are a FERS employee who was born before 1948, the minimum retirement age is 55. It gradually increases from 55 to 57 if you were born between 1948 and 1970. Your FERS annuity will be reduced by 5

percent for each year you are under age 62 unless you retire early under VERA or DSR. You can also avoid the age reduction entirely by choosing to begin your annuity either on:

- a date less than 1 full month before you reach age 62 if you have less than 20 years of service; or
- the first day of any month after you have reached age 60 if you have at least 20 years of service.

For CSRS retirement details, see <https://www.opm.gov/retirement-center/csrs-information/>.

- **FERS annuity supplement:** The FERS supplement is paid if you are eligible to retire before age 62 and are not yet eligible for the Social Security benefits. It is payable to an employee who meets Minimum Retirement Age (MRA is 55 to 57, depending on date of birth) until eligibility for Social Security begins at age 62, subject to an earnings limitation. The FERS annuity supplement is payable whether you are retiring under an immediate, VERA, or discontinued service retirement. The supplement is not available to those who resign and later apply for a deferred retirement. [OPM FERS Annuity Supplement](#)
- **Voluntary Early Retirement Authority (VERA):** Voluntary Early Retirement offers apply to employees covered under both the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). When an agency has received VERA approval from OPM, an employee who meets the general eligibility requirements may be eligible to retire early. VERA eligibility:
 - At least age 50 with at least 20 years creditable Federal service, or
 - Any age with at least 25 years creditable Federal service.

For FERS employees, there is no FERS annuity reduction if you retire on an early voluntary retirement under age 55. A FERS transferee with a CSRS component in his/her annuity, who retires before age 55, will have the CSRS portion of the payable annuity reduced by one-sixth of one percent for each full month he/she is under age 55. [OPM VERA Guide](#)

- **Discontinued Service Retirement (DSR under FERS):** A DSR provides an immediate annuity for employees who are separated involuntarily due to RIF. If you are eligible for VERA but choose not to apply for VERA and later receive a RIF separation notice, *you can choose to retire early with a discontinued service annuity* (unless you decline a “reasonable offer” of another position in your commuting area). Like VERA, if you are under the age of 55, your annuity will not be reduced. [OPM Early Retirement Fact Sheet](#)

If you have transferred to FERS and have service under CSRS, the CSRS portion of your annuity will be reduced by 2 percent per year if you are under age 55. The FERS annuity supplement applies to those who meet the minimum retirement age (see VERA above).

DSR eligibility:

- Age 50 and 20 years total creditable service, or
- Any age and 25 years total creditable service.
- **Deferred Retirement:** If you separate from the Federal service after completing at least 5 years of creditable civilian service, but before becoming eligible for an immediate annuity, you will be entitled to a deferred annuity at age 62 under either CSRS or FERS. If you are under FERS, you may be eligible for a deferred annuity before age 62 under certain conditions. If you are eligible for a deferred annuity, you can receive a refund of your retirement deductions in lieu of the annuity, provided that you are more than 31 days away from qualifying for an annuity when filing for the refund.

Note: The FERS supplement is not available with a deferred retirement. If you receive a deferred annuity, you are not eligible to continue any health benefits, life insurance coverage, or dental and vision benefits you had while employed. [OPM Deferred Retirement](#)

- **Using Annual Leave to Reach Retirement Eligibility:** Normally, if you are scheduled to be separated by RIF, you can use your accumulated annual leave to remain on your agency's rolls past the RIF effective date if doing so would allow you to reach your first retirement eligibility date or FEHB carryover eligibility. You must have enough annual leave to cover the period from the RIF effective date to the first date you

meet the minimum age and service criteria for CSRS or FERS retirement (as applicable). You must meet the other eligibility requirements for optional or discontinued service retirement.

Employee Support Resources

- [NAFSR Employee Care Update](#) May 31, 2025
- NAFSR [RIF Fact Sheet](#) March 11, 2025
- [FedSupport.org](#) – Everything you need to know about a government shutdown
- [OurPublicService.org](#) – Partnership for Public Service, a nonprofit, nonpartisan organization for building a better government and a stronger democracy
- [NARFE.org](#) - National Association of Active and Retired Federal Employees