Post Allowance Payments to Department of Defense (DoD)
Nonappropriated Fund Employees
Questions and Answers

GENERAL:

1. What is a NAF employee?

- DoD NAF employees work in military exchanges and morale, welfare, and recreation programs. They are paid from funds generated by those activities.
- The six major NAF employers are the Department of the Army, the Department of the Air Force, United States Marine Corps, Commander, Navy Installations Command (CNIC), the Navy Exchange Service Command (NEXCOM), and the Army and Air Force Exchange Service (AAFES).

2. What is Post Allowance?

- Post Allowance is a cost of living allowance that offsets the costs of goods and services at an overseas location as compared to costs in Washington, DC.

3. What is the DoD requirement regarding payment of Post Allowance to NAF employees?

- DoD 1401.1-M, "Personnel Policy Manual for Nonappropriated Fund Instrumentalities" and DoD 1400.25-M, "DoD Civilian Personnel Manual," require payment of foreign allowances and differentials to NAF employees in accordance with the DoD policy applicable to appropriated fund employees.
- The DoD appropriated fund overseas allowance policy is found in Subchapter 1250 of DoD 1400.25-M.
- Post Allowance is paid to eligible appropriated and nonappropriated fund employees even though they may not be eligible for other overseas allowances.
- For the purpose of Post Allowance, DoD policy does not distinguish between employees who are recruited from the States and those who are hired overseas ("local hires").

4. Who is eligible for Post Allowance?

- DoD policy provides Post Allowance to U.S. citizens in positions overseas, unless they are part-time, intermittent, or U.S. family member summer/winter hire employees.
- NAF employees who are U.S. citizens working in Regular full time positions, as defined by the respective NAF Component, meet the eligibility criteria.

- NAF employees working in positions in the Flexible employment category are not eligible.

5. **Were some DoD NAF employees not receiving Post Allowance in accordance with DoD policy and regulations?**
   - Yes. In December 2007, the Department confirmed that a large group of overseas NAF employees had not been paid the Post Allowance for which they were eligible in accordance with controlling DoD regulations in effect at the time of their employment.

6. **Which NAF Components were paying Post Allowance in accordance with DoD policy and regulations?**
   - The Department of Army paid Post Allowance to all eligible NAF employees in accordance with DoD policy and regulations.
   - Marine Corps paid Post Allowance to some eligible local hires and Navy morale, welfare and recreation (MWR) activities (CNIC) paid Post Allowance to a very small number of local hires.
   - The other NAF employers were not paying Post Allowance to all eligible employees.

7. **How is DoD correcting the Post Allowance pay error?**
   - On March 21, 2008, the Principal Deputy Under Secretary of Defense for Personnel and Readiness directed the NAF employers to begin paying Post Allowance to all eligible NAF employees hired overseas.
   - By April 24, 2008, all NAF employers had started paying Post Allowance to all eligible overseas NAF employees.
   - DoD guidance for NAF employers covering claims for Post Allowance earned from December 1, 2001 to April 24, 2008 has been issued and is being implemented by the NAF employers.

CLAIMS FOR POST ALLOWANCE EARNED FROM DECEMBER 1, 2001 TO APRIL 24, 2008:

1. **Who may file a claim for Post Allowance under the procedures to remedy pay errors?**
   - Current and former eligible NAF employees who did not receive Post Allowance in accordance with DoD policy may file a claim for Post Allowance earned from December 1, 2001 to April 24, 2008.

2. **Why are claims only being accepted for the period from December 1, 2001 to April 24, 2008?**

   - The December 1, 2001 date is consistent with the six-year statute of limitations for claims against the United States Government. December 1, 2001, is six years back from the date that DoD first administratively determined that a large group of overseas NAF employees had not been paid Post Allowance for which they were eligible in accordance with the controlling DoD regulations in effect at the time of their employment.
   - By April 24, 2008, all eligible NAF employees were receiving Post Allowance in accordance with applicable DoD policy. Therefore, April 24, 2008, is the last date that a claim covered by the pay remedy process could have accrued.
   - Any individual pay error relating to post allowance occurring after April 24, 2008 is not part of this process and should be handled by a NAF employer following whatever is the normal process for a pay error of any type.

3. **What is the deadline for filing Post Allowance claims?**

   - Substantiated claims for Post Allowance shall be paid to eligible current and former NAF employees six years back from December 1, 2007, to December 1, 2001, if those claims are received by December 1, 2009.
   - Claims received after December 1, 2009, will only be considered for a period of time six years back from the date the claim is received.

4. **How do current and former employees file claims?**

   - Claims should be filed with the NAF employer for whom the employee worked during the period of time covered by the claim.
   - If an individual worked for more than one employer during the period of time covered by the claims process, he or she must submit separate claims to each employer for the different periods of time. For example, if an individual is claiming Post Allowance for a December 1, 2001 to January 15, 2004 period of employment with Air Force, and a January 16, 2004, to April 18, 2008, period of employment with AAFES, the individual must submit two claims forms—one with Air Force for the first time period, and one with AAFES for the second time period.
   - Claims forms are found on the NAF employer websites listed below. Claimants should use the claim form that is specific to the NAF employer for whom the claimant worked during the time period covered by the claim.

     United States Marine Corps:
     http://www.usmc-mccs.org/

     Commander, Navy Installation Command:
     http://www.mwr.navy.mil

Navy Exchange Service Command:
https://www.navy-nex.com

Department of the Air Force:
Website is forthcoming

Army and Air Force Exchange Service:
http://www.aafes.com/allowance/

5. **How should a current employee, who is also a former employee of a different NAF employer, file claims?**
   - Current employees who are also former employees of another NAF employer and eligible for Post Allowance payments from both the current and former employer are required to submit claims with the former employer (use the claims form specific to former employees of that NAF employer), AND with the current employer (use the claims form specific to current employees of that NAF employer).
   - The claims forms have a space to report claims filed with a different NAF employer.

6. **How should claims be filed if a former employee has prior service with two or more different employers?**
   - Former employees who have service with two or more employers must file separate claims with the relevant NAF employer covering each separate period of employment. For example, an individual with former service with Marine Corps and CNIC must submit a claim to Marine Corps (using Marine Corps' Former Employee claims form) and to CNIC (using CNIC's Former Employee claims form).
   - The claims forms have a space to report claims filed with a different NAF employer.

7. **What documentation is required to file a claim for Post Allowance?**
   - Claimants must establish their eligibility for Post Allowance at the time of employment by a preponderance of the evidence, as determined by the employer with whom a claim is filed. Documentation must be provided that demonstrates that the individual was, at the time of employment, a U.S. citizen in a full-time, Regular NAF position in an overseas location.
   - The primary documents to support evidence of eligibility are NAF Official Personnel Actions showing:
     - Employee name

    - Employing activity
    - Citizenship
    - Employment category (i.e., regular full time)
    - Dates of employment (e.g., date of hire/date of separation, date of change in employment category, pay changes).

- Other relevant document that may be acceptable for proof of eligibility for Post Allowance include:

    1. Payroll records
    2. W-2's and/or tax returns
    3. Time and attendance cards/sheets
    4. Official schedules
    5. Leave and earning statements

8. Will interest be paid on the Post Allowance claims?

- No. The Back Pay Act does not extend to these types of claims for Post Allowance by NAF employees.

9. May dependents be included in the Post Allowance claim?

- Yes, if the claimant had eligible family members during the claim period. The Department of State Standardized Regulations (DSSR) defines eligible family members.
- Eligible family members do not include:
    - A military member who received a military Cost of Living Adjustment (COLA)
    - A civilian employee who received a Post Allowance from the Federal Government.
    - A dependent who was included as a dependent under a spouse's military COLA or civilian Post Allowance received from the Federal Government.

10. Are employees who are spouses of military members eligible to file a claim for Post Allowance?

- A current or former employee who, during the period of Post Allowance eligibility, was the spouse of a military member who received a military cost of living allowance at the "with family" rate receives Post Allowance remedial payments calculated at the "without family" rate.

11. Are employees who are spouses of a civilian employee who received Post Allowance during the covered time period eligible to file a claim?

- Post Allowance payments for a current or former employee who, during the period of Post Allowance eligibility, was included in the "with family" Post Allowance

rate received by a spouse of a civilian Federal Government employee will be offset by the amount associated with inclusion of the civilian employee

12. Will a current or former employee be able to file an appeal if a Post Allowance claim is denied or the employee disputes the amount of the payment?

- Current NAF employees have a right to present complaints and grievances to management and to request personal relief in matters relating to Post Allowance payments through the Negotiated Grievance Process (NGP), or the Administrative Grievance Process (AGP), as appropriate. Former employees may file an appeal following the NAF Component instructions posted on the respective NAF website.