

SUBCHAPTER S2

SCOPE OF NAF SYSTEM

S2-1 General Coverage of NAF System

- a. **NAF employees covered by the Federal Wage System.** Nonappropriated fund employees covered by the Federal Wage System are those who are defined in section 5342(a)(2)(B) and (C) of title 5, United States Code.
- b. **Agency defined.** Agency means the Department of Defense, Department of Transportation, and the Department of Veterans Affairs.
- c. **NAF prevailing rate employee** means (this term is used interchangeably with the term "NAF wage employee" throughout the instruction):
 - (1) An employee of a nonappropriated fund instrumentality described by section 2105(c) of title 5, United States Code, who is employed in a recognized trade or craft, or other skilled mechanical craft, or in an unskilled, semiskilled, or skilled manual labor occupation, and any other individual, including a foreman and a supervisor in a position having trade, craft, or laboring experience and knowledge as the paramount requirement, other than such an employee stationed in the former Panama Canal Zone;
 - (2) An employee of the Veterans' Canteen Service, Department of Veterans Affairs, excepted from chapter 51 of title 5, United States Code, by section 5102(c)(14) of title 5 who is employed in a recognized trade or craft, or other skilled mechanical craft, or in an unskilled, semiskilled, or skilled manual labor occupation, and any other individual, including a foreman and a supervisor, in a position having trade, craft, or laboring experience and knowledge as the paramount requirement, other than such an employee stationed in the former Panama Canal Zone.
- d. **Position defined.** Position means the work, consisting of duties and responsibilities, assignable to an NAF prevailing rate employee.

S2-2 NAF Special Schedules

There are many special schedules now in use on which determinations have not been made to either continue to pay employees special schedule rates or to bring them under the regular wage schedules of the wage system. These schedules, described in appendix V, have been adjusted under policies and practices of the establishing agency. As an interim measure they are continued as special schedules under the Federal NAF Wage System until they have been reviewed and decisions have been made on the recommendations of the Federal Prevailing Rate Advisory Committee.

S2-3 Negotiated Agreements

- a. Section 9(b) of Public Law 92-392 specifies that the amendments to subchapter IV of chapter 53 of title 5, United States Code, shall not be construed to
 - abrogate, modify, or otherwise affect in any way, the provisions of any contract in effect on the date of enactment of Public Law 92-392 pertaining to the wages, the terms and

conditions of employment, and other employment benefits, or any of the foregoing matters, for Government agencies and organizations of Government employees;

- nullify, curtail, or otherwise impair in any way the right of any party to such contract to enter into negotiations after the date of enactment of Public Law 92-392 for the renewal, extension, modification, or improvement of the provisions of such contract or the replacement of such contract with a new contract; or
 - nullify, change, or otherwise affect in any way after such date of enactment any agreement, arrangement, or understanding in effect on such date with respect to the various items of subject matter of the negotiations on which any such contract in effect on such date is based or prevent the inclusion of such items of subject matter in connection with the renegotiation of any such contract with a new contract, after such date.
- b. Section 704 of Public Law 95-454, the Civil Service Reform Act of 1978, reaffirmed the right of certain employees covered by section 9(b) of Public Law 92-392 to negotiate over terms and conditions of employment and pay practices. Section 704 does this by providing specific statutory authorization for the negotiation of wages, terms and conditions of employment, and other employment benefits traditionally negotiated by these employees in accordance with prevailing practices in the private sector.