

Fort Knox CPAC...



HR Tip of the Week

VERA – VSIP

VOLUNTARY EARLY RETIREMENT AUTHORITY (VERA)

To be eligible for early retirement by the date of separation, the following criteria must be met:

- a. Be at least 50 years of age and have completed 20 years of creditable service, or be of any age with at least 25 years of creditable service.
- b. Be serving on an appointment without time limitation.
- c. Have been continuously employed within DOD for more than 30 days before the date on which the determination to conduct a workforce reduction or restructuring action is approved.
- d. Not have received a decision of involuntary separation for misconduct or unacceptable performance.
- e. Not be retiring as a result of declining a transfer of function, directed reassignment, or other management-initiated relocation outside the commuting area (if applicable).

VOLUNTARY SEPARATION INCENTIVE PAY (VSIP)

The VSIP (buyout) is a management tool which can be offered during a downsizing initiative to avoid or minimize civilian involuntary separations. If eligible, an employee can retire (early or optional) or resign and receive VSIP. An employee can also retire early without a VSIP.

1. To be eligible for VSIP, the criteria below must be met.
 - a. Must be serving under an appointment without time limitation (permanent), and must have been employed by Department of Defense (DOD) for a continuous period of at least 12 months immediately preceding the effective date of separation.
 - b. Must meet the age and years of service eligibility requirements by the effective date of the retirement, if separating from the service by optional or early retirement.
2. An employee meeting any of the following is ineligible for a VSIP:
 - a. Is a reemployed annuitant.
 - b. Is or would be eligible for disability retirement under any Federal employee retirement system.
 - c. Is non-compensated for their employment.

- d. Has accepted a position with another Federal agency.
- e. Has received a specific notice of reduction in force separation.
- f. Has declined to relocate with his/her position or declined a transfer of function (if applicable).
- g. Has received a decision notice of involuntary separation for misconduct or unacceptable performance.
- h. Has previously received a buyout.

3. Absent a waiver, an employee meeting any criteria below is ineligible for VSIP. Waivers may be granted on a case-by-case basis by the VSIP approving authority, when it is determined that a VSIP offer is in the best interest of the command. Such a waiver establishes eligibility for a VSIP, but does not waive the terms of written service agreements, which must be addressed separately according to applicable guidance.

- a. Is covered by a written service agreement such as, but not necessarily limited to, those required in conjunction with permanent change of station (PCS), training, student loan repayments, critical acquisition positions, or recruitment, relocation, or retention incentives.

- b. Is occupying a position for which special salary rates are approved.

- c. Is occupying a position defined as "hard to fill" as determined by Department of Army.

4. The buyout is considered a taxable income, and is the lesser of \$40,000 or an amount equal to the payment you would be entitled to receive under the severance pay formula which can be found at http://www.opm.gov/oca/pay/html/severance_pay.asp. VSIP payments may be made in a lump sum payment or may be paid in installments.

5. The following restrictions on reemployment within the Federal Government apply:

- a. Any individual receiving a VSIP who accepts employment with the U.S. Government (including employment in non-appropriated fund (NAF) instrumentalities or with an agency of the U.S. through a personal services contract) within 5 years after the date of separation on which payment of the buyout is based, shall be required to repay the entire amount of the buyout (before taxes) to DOD.

- b. A DOD employee who receives a VSIP may not be reemployed by the Department (including NAF employment or through a personal services contract) for a 12-month period beginning on the effective date of the employee's separation.

- c. A DOD employee approved for payment of a VSIP is prohibited from registering in the DOD Priority Placement Program.

For more information or questions, please contact your servicing Staffing Specialist in the Fort Knox CPAC.