

VERA/VSIP INFORMATION

1. VSIP Eligibility Requirements:
 - a. must be on a permanent full-time or part-time appointment
 - b. must have been continuously employed by DOD for the last 12 months preceding the effective date of separation, 31 May 2016
 - c. must not be eligible for disability retirement
 - d. must be off the rolls by 31 May 2016
 - e. The agency head has the authority to delay the effective date for employees in key or critical positions. If any employee in a key or critical position applies for VSIP, the activity will coordinate with the Civilian Personnel Advisory Center to determine if a delayed effective date is required.

2. VERA Eligibility Requirements:
 - a. must be age 50 with 20 years of creditable service, or any age with 25 years of creditable service
 - b. must have been continuously 30 days prior to 31 May 2016
 - c. must save a minimum of one employee from involuntary separation
 - d. must be off the roles by 31 May 2016

3. Things to consider before applying for VSIP:
 - a. If covered under the Civil Service Retirement System (CSRS), employees will take a reduction in their annuity of two percent per year for each full year under age 55. This reduction is permanent and will not decrease when the annuitant reaches age 55.
 - b. Employees covered under the Federal Employees Retirement System (FERS) take no annuity reduction for retiring under age 55, unless they have a CSRS component. FERS employees who have 5 or more years under CSRS before electing FERS will have a CSRS component. The CSRS component portion of the annuity is subject to the two percent reduction for age.
 - c. Employees retiring optionally or under VERA should note that these are considered voluntary retirements. Therefore, if you retire under CSRS, you must be retired by the 3rd day of the month to receive your annuity for that month, i.e., if you retire after 3 May,

your annuity begins 1 June. If you retire on or before 3 June your annuity begins the next day after retirement. Under FERS, you must retire by the last of the month for your annuity to begin that month.

- d. If you accept VSIP with a retirement, either optional or early, you may carry your health insurance into retirement provided you have been enrolled (or covered as a family member) for the 5 years of service immediately before retirement, or, if fewer than 5 years, all service since your first opportunity to enroll.
- e. VSIP is a lump sum incentive bonus paid at the time of separation unless an installment option is elected. The installment options include a) to receive the incentive in biweekly payments in equal amounts at a rate selected by the employee (The payments may not extend beyond one year from the date of separation); or b) to receive one half of the buyout six months following the separation and the remaining half six months later. VSIP is a taxable income.
- f. VSIP is computer based on the amount of severance pay to which an employee would be entitled, up to a maximum of \$25,000.
- g. You are ineligible for Federal employment for 5 years from separation unless you repay the total amount of the incentive.
- h. You will receive no severance pay.
- i. You are ineligible for the DOD Priority Placement Program.

