

FY 2019 NCR MD VERA/VSIP Guidance

1. General Information

As a tool to achieve workforce restructuring goals, the National Capital Region Medical Directorate (NCR MD) has been granted authority to approve Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payment (VSIP) for GS-15 equivalents and below when the vacancies created will be used to reshape or streamline the organization to meet mission needs. The VSIP incentive can include a lump sum or installment payments of up to \$40,000 to employees in positions that have been proposed for restructuring or discontinuation and applies only to voluntary separations to include optional retirement, resignation, or Voluntary Early Retirement (VERA). The VERA/VSIP program is a management tool and not an employee entitlement. Each incentive offered must be based on management decisions designed to meet organizational objectives.

a. The incentive amount is the lesser of \$40,000 or the amount an employee would be entitled to under the severance pay formula. The amount of separation incentive is not discretionary or negotiable.

b. NCR MD has authority to offer VSIP to eligible employees. All possible steps will be taken to ensure that there is no coercion of employees to retire or resign.

c. NCR MD also has authority to offer VERA to allow eligible employees to voluntarily retire early with or without VSIP.

2. General Eligibility Criteria (IAW DoDI 1400.25-V1702, Administratively re-issued April 1, 2009)

a. Employees are eligible for the VSIP incentive if they are:

- U.S. citizens
- Eligible for optional retirement, voluntary early retirement, or resignation
- Serving in appointment without time limitation
- Have been continuously employed by the Department of Defense (DoD) for at least 12 months immediately preceding the effective date of separation

b. Employees are not eligible for this incentive if they are:

- Re-employed annuitants
- In receipt of a decision notice of involuntary separation for misconduct or unacceptable performance or resigning or retiring in lieu of an involuntary action
- Accepting a position with another Federal agency
- Eligible for disability retirement under any Federal employee retirement system
- In receipt of a specific notice of Reduction In Force separation
- In previous receipt of a separation incentive payment
- Have declined to relocate with their position; or declined a transfer of function

c. Absent a waiver, an employee is ineligible for a VSIP if he or she is:

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- Covered by a written service agreement associated with a Permanent Change of Station (PCS) or training, or is in receipt of a recruitment or relocation bonus
- Receiving a retention allowance
- Occupying a position defined as “hard to fill”

d. Waivers may be granted on a case-by-case basis by the Director, Defense Health Agency (or in the case of executive level buyouts and/or special salary rates, the Office of the Deputy Under Secretary of Defense for Personnel and Readiness (DUSD(P&R))) when it is determined that the offer of separation pay is in the best interest of the offering organization.

e. Only employees continuously employed with the DoD for more than 30 days before the date on which the determination to conduct a workforce restructuring action has been approved are eligible to receive VERA. Employees serving under time-limited appointments, as well as employees in receipt of a decision of involuntary separation for misconduct or unsatisfactory performance will not be offered VERA.

3. Retirement Eligibility Requirements

a. The Civil Service Retirement System (CSRS) covers employees hired before January 1, 1984. The Federal Employees Retirement System (FERS) covers those employees hired after January 1, 1984, and those who transferred from CSRS to FERS.

b. Employees must meet the appropriate time and service eligibility requirements described below by the proposed effective date of their retirement. For additional information on retirement eligibility or questions pertaining to retirement counseling, employees should contact the Army Benefits Center (ABC) at www.abc.army.mil or at (877) 276-9287.

- CSRS ELIGIBILITY FOR OPTIONAL RETIREMENT
 - Age 62 with 5 Years of Service
 - Age 60 with 20 Years of Service
 - Age 55 with 30 Years of Service
- FERS ELIGIBILITY FOR OPTIONAL RETIREMENT*
 - Age 62 with 5 Years of Service
 - Age 60 with 20 Years of Service*
 - Minimum Retirement Age (MRA) with 30 Years of Service**
 - MRA with 10 Years of Service (Reduced Benefit)***

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- VOLUNTARY EARLY RETIREMENT****
Age 50 with 20 Years of Service
Any age with 25 Years of Service
Must have been continuously employed within NCR MD for 30 days before the date on which the determination to conduct the VERA/VSIP actions was approved

*There is a 5 percent annuity reduction for each year under the age of 62.

**MRA varies by year of birth and there is a 5 percent annuity reduction for each year under the age of 62.

***There is a 2 percent annuity reduction for each year a CSRS VERA retiree is under the age of 55. There is no reduction for FERS retirees under the age of 55 unless a portion of the employee's time was spent in CSRS. If such is the case, a 2 percent annuity reduction per year will apply to each year served in the CSRS component.

4. Re-employment Restrictions

a. When accepting a VSIP, the following restrictions on reemployment within the Federal government apply:

- An employee receiving a separation incentive who accepts employment with the Government of the United States (including employment in the non-appropriated fund instrumentalities or with an agency through a personal services contract) within 5 years after the date of separation on which payment of the separation incentive is based, shall be required to repay the entire amount of the separation incentive (gross amount, before taxes and deductions) to DoD.
- A DoD employee who receives separation pay may not be re-employed by the DoD in any capacity for a 12-month period beginning the effective date of the employee's separation. The Secretary of Defense may approve exceptions on a case-by-case basis.
- A DoD employee approved for payment of a separation incentive is prohibited from registering in the DoD Priority Placement Program (PPP).

5. General Provisions

a. The first open window for submitting an application for the FY 2019 VERA/VSIP is 11/05/2018. The Director, NCR MD retains the right to open an additional workforce reduction or restructuring window this same FY if NCR MD's total allocations are not used.

b. Employees approved for VERA and/or VSIP must be off the rolls no later than 31 May 2019. No extension to this date will be granted.

c. Employees who elect to apply for VERA and/ or VSIP must follow the prescribed procedures and complete the employee portion of the 2019 NCR MD VERA/VSIP application. If approved, these employees will also need to follow Army Benefit Center's guidelines and

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procedures for completing and submitting a retirement application.

d. NCR MD will approve VERA and/or VSIP under this window on a position-by-position basis. Receipt of an application for any incentive during this window does not constitute automatic approval. Each incentive approved will be based on management decisions designed to meet organizational objectives.

6. Questions pertaining to this information paper or in general regarding VERA and/or VSIP should be addressed to Ms. Clodeth Findlay, NCR MD Personnel Branch Chief at (301) 319-4789, Clodeth.C.Findlay.civ@mail.mil.