

Requests for Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIP) Authority: Based on the extent of the DA organizational transformation, we have initiated requests for VERA and VSIP authority. If approved, the VERA/VSIP options would apply to DA optional and early retirement eligibles except those in the GS-500 Accounting and Budget occupational group; GS-800 Engineering job family; GS-1000 Information and Arts job grouping; GS-1100 Business and Industry job group (largely contracting positions); and wage grade/wage system positions. **The U.S. Office of Personnel Management (OPM) must approve the VERA and VSIP requests.** While we are working with OPM on the packages, an estimated 30-60 days will be required in order to obtain the requisite approvals. A more detailed description of the VERA and VSIP authorities is enclosed.

Summary on Voluntary Early Retirement Authority and Voluntary Separation Incentive Payments Authority

Voluntary Early Retirement Authority (Early out)

Voluntary Early Retirement Authority (VERA) allows agencies that are undergoing substantial restructuring, reshaping, downsizing, transfer of function, or reorganization to temporarily lower the age and service requirements in order to increase the number of employees who are eligible for retirement. The authority encourages more voluntary separations and helps the agency complete the needed organizational change with minimal disruption to the work force. By offering these short term opportunities, an agency can make it possible for employees to receive an immediate annuity years before they would otherwise be eligible. An agency must request VERA and receive approval from the U.S. Office of Personnel Management (OPM) before the agency may offer early retirement to its employees.

VERA offers apply to employees covered under both the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). When an agency has received VERA approval from OPM, an employee who meets the general eligibility requirements may be eligible to retire early. The employee must:

1. Meet the minimum age and service requirements-
 - At least age 50 with at least 20 years creditable Federal service, OR
 - Any age with at least 25 years creditable Federal Service;
2. Have served in a position covered by the OPM authorization for the minimum time specified by OPM (usually 30 days prior to the date of the agency request);
3. Serve in a position covered by the agency's VERA plan; and
4. Separate by the close of the early-out period.

Voluntary Separation Incentive Payments (Buy out)

The Voluntary Separation Incentive Payments (VSIP) authority, also known as buyout authority, allows agencies that are downsizing or restructuring to offer employees lump-sum payments up to \$25,000 (gross) as an incentive to voluntarily separate. When authorized by OPM, an agency may offer the VSIP option to employees who voluntarily separate from positions encompassed by the request. By allowing employees to voluntarily leave the Government, agencies can minimize or avoid involuntary separations.

When an agency has received approval from OPM to offer VSIP, any employee who meets these general eligibility requirements may receive an offer. The employee must:

1. Be serving in an appointment without time limit;
2. Be currently employed by the Executive Branch of the Federal Government for a continuous period of at least 3 years;
3. Be serving in a position covered by an agency VSIP plan (i.e., in the specific geographic area, organization, series and grade);
4. Apply for and receive approval for a VSIP from the agency making the VSIP offer.