



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
OFFICE OF THE DEPUTY CHIEF OF STAFF, G-1
300 ARMY PENTAGON
WASHINGTON, DC 20310-0300

DAPE-ZB

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Voluntary Early Retirement Authority and Voluntary Separation Incentive Pay – Implementing Guidance

1. References:

- a. Title 5 United States Code, sections 5595(c) and 9902(f).
- b. Department of Defense Instruction, 1400.25, Volume 1702, Voluntary Separation Programs, Administratively reissued 1 Apr 2009.
- c. Memorandum, SAMR, 23 Oct 2017, subject: Delegation of Civilian Human Resources Authorities, Matrix 02-2017.
- d. Memorandum, Under Secretary of Defense (Personnel and Readiness), 23 Jun 2018, subject: Extension of Authority to Provide a Temporary Increase in Voluntary Separation Incentive Pay.
- e. Army Regulation 690-300, Civilian Personnel Employment, Chapter 21, dated 3 May 2019.
- f. Memorandum, DAPE-CP, 24 Dec 2008, subject: Guidance on Voluntary Separation Incentives (Hereby Rescinded).

2. The enclosed guidance provides information regarding the administrative requirements and procedures that Department of the Army will follow when utilizing Voluntary Early Retirement Authority and Voluntary Separation Incentive Pay. This guidance is to be used in conjunction with references 1a-e and is effective immediately.

3. The AG-1CP points of contact are Ms. Tara Daley, Staffing and Classification Division, (703) 806-3852, DSN 656-3852, tara.l.daley.civ@mail.mil or alternate

SUBJECT: Voluntary Early Retirement Authority and Voluntary Separation Incentive Pay – Implementing Guidance

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Encls

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IMPLEMENTING GUIDANCE FOR VOLUNTARY EARLY RETIREMENT AUTHORITY AND VOLUNTARY SEPARATION INCENTIVE PAY

1. PURPOSE. To provide the Department of the Army (DA) guidance on the use of Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Pay (VSIP).
2. AUTHORITY. Section 9902(f) of Title 5, United States Code, allows the Secretary of Defense to establish a program within the Department of Defense (DoD) under which employees may be eligible for early retirement, offered separation incentive pay to voluntarily separate from service, or both. The Secretaries of the Military Departments are delegated the authority to approve VERA and VSIP for employees occupying positions up to the General Schedule (GS)-15 level (or equivalent), which has been further delegated, within Army, in accordance with (IAW) reference 1c.
3. RESPONSIBILITIES.
 - a. Headquarters, Department of the Army, Office of the Assistant G-1 for Civilian Personnel (hereafter referred to in this guidance as “AG-1CP”) is responsible for providing guidance, addressing administrative requirements and procedures for the Army’s use of these authorities, including:
 - i. Program implementation within DA.
 - ii. Program management including assessment and evaluation.
 - iii. Serving as the Army point of contact to the DoD on all Army related issues regarding the use of this authority.
 - b. Civilian Human Resources Agency (CHRA) will operate in accordance with applicable law, DoD and Army guidance, and regulation. CHRA will:
 - i. Provide information, advice, and assistance to individual Army Commands, Army Service Component Commands, the Administrative Assistant to the Secretary of the Army, and Direct Reporting Units (hereafter referred to in this guidance as “Commands”), supervisors, and managers regarding the use of these authorities.
 - ii. Provide Commands verification of applicant eligibility for VERA and/or VSIP.
 - iii. Provide retirement estimates to applicants (when applicable).
 - iv. Process related separation actions (i.e., retirement, early retirement, or resignation).
 - v. Establish and maintain pre-appointment procedures to identify job applicants subject to reemployment restrictions or VSIP repayment requirements and coordinate

with the Defense Finance and Accounting Service prior to appointment in order to calculate repayment costs and initiate collection, when applicable.

c. Army Commands, Army Service Component Commands, the Administrative Assistant to the Secretary of the Army, and Direct Reporting Units (referred to in this guidance as “Commands”) are authorized to use VERA and VSIP and are responsible for ensuring compliance with applicable Law, DoD and Army guidance, and regulation. Commands are also responsible for:

- i. Providing a point of contact to AG-1CP for reporting the use of these authorities and for assistance to subordinate commands.
- ii. Approving or denying requests for use of these incentives, IAW references 1a-e.
- iii. Maintaining adequate and accurate records of all VERA and/or VSIP windows IAW paragraph 6.
- iv. Keeping track of employee off-the-rolls dates and reviewing separation actions to ensure they were processed properly and timely IAW the incentive approved and conditions of the window.
- v. Ensuring subsequent Table(s) of Distribution and Allowances (TDA(s)) are updated to reflect any changes resulting from the use of these incentives.
- vi. Ensuring restructured positions are filled within 12 months after the incentive/separation action was processed.

4. VERA AND VSIP – OVERALL INTENT.

a. VERA and VSIP are management tools used to encourage eligible employees to separate voluntarily from federal service to reduce the number of onboard personnel or to restructure the workforce to meet mission objectives without reducing the overall number of personnel. These incentives may not be used to coerce or force employees to resign or retire. When announcing a VERA and/or VSIP window, Commands will inform employees that separation in conjunction with the use of these incentives is voluntary.

b. VERA and VSIP have differing provisions and restrictions that govern their respective eligibility criteria, processing, and applicability, pursuant to references 1b. and 1e.

5. PROCEDURES.

a. General. Commands may authorize VERA, VSIP, or a combination of the two, dependent upon the situation and available funds. The use of VSIP requires the

availability of allocations which must be requested from AG-1CP in advance by Commands on a fiscal year basis. In accordance with reference 1d, the maximum VSIP buyout amount is \$40,000 until September 30, 2021 (unless extended or made permanent by future legislation). The VSIP buyout amount is not discretionary and is equivalent to the amount the employee would be entitled to under the severance pay formula pursuant to section 5595(c) of reference 1a (not to exceed \$40,000 (before taxes and deductions)).

b. Downsizing. Downsizing may be used to reduce the number of onboard personnel where excess exists, or to create vacancies for the placement of surplus employees.

c. Restructure. Restructuring may be used in situations where there is a valid need to modify the major duties, occupational series, and/or grade of a position or multiple positions, to meet future mission requirements. Commands, in consultation with their servicing CPAC, should ensure that newly restructured positions fit appropriately within the organizational structure. Restructured positions are expected to be filled within 12 months of the incentive/separation action being processed, unless there is a valid reason for delay such as a hiring freeze (which should be documented).

d. Establishing Parameters. The parameters for a VERA and/or VSIP window will be established and documented in advance, based upon a valid need, and supported by a Command reshaping plan, policy, approved reorganization, and/or other directive (e.g., EXORD, OPORD, etc.). The parameters will be targeted to the specific need for the window, in line with applicable laws, regulations, and guidance. The following items should be captured in the documentation that establishes the parameters for the window:

i. Reason for the window;

ii. Scope and size of the window (affected organizations/locations and number of employees that will be affected);

iii. Targeted approach (e.g., by specific occupational series(s) and/or grade(s); by a specific number of applications; by affected directorate, organizational unit, geographical location; etc.), to include the type of incentive being offered and whether the window is based upon restructuring, downsizing, or both;

iv. Rationale for targeted approach (i.e., what the Command predicts the window will accomplish and why); and

v. Cost benefit analysis (i.e., an analysis of the cost of the separation incentive in comparison to the overall benefit to be gained from its use, in order to determine if use of the incentive is the best course of action).

e. Window Announcements. Window announcements should be based on the parameters established by the Command. If the original parameters for the VERA and/or VSIP window must be modified, the change should be documented, and all employees that were originally notified of the window should be informed of the associated changes. Window announcements to the workforce should include, but are not limited to, the following information:

- i. Open, close, and employee off-the-rolls date;
- ii. Type of window being announced (VERA, VSIP, or both);
- iii. Number of applications being accepted (if applicable);
- iv. Criteria that will be used to screen applications (based on targeted approach);
- v. Number of windows to be opened, and details of each (if multiple windows are anticipated);
- vi. Application and directions on how to apply; and
- vii. Statement that the window is voluntary.

f. Approval. Approval decisions should be based on objective factors related to the overall goal of the window; personal situations will not be used as a basis for approval. VERA and VSIP are management tools, not employee entitlements. Commanders, or those with delegated approval authority, should refer to the criteria and examples provided in references 1b. and 1e. when reviewing requests for windows and employee applications.

6. RECORD RETENTION. Commands will generate or collect (as appropriate), and maintain documentation for all VERA and/or VSIP windows, to include the following:

- a. Supporting documentation for establishing parameters, IAW paragraph 5d.;
- b. Window announcement;
- c. All applications received;
- d. Approval/denial letters, and documentation of any employee withdrawals;
- e. Any supporting documentation used as a basis for decision making (e.g., strength reports, documentation of resource reallocation, analysis of current position compared to proposed restructure position (if applicable), etc.);
- f. For any positions that were restructured, a copy of the SF50 of newly recruited employee(s), to show the restructured position(s) were filled within 12 months; and

g. Copy of subsequent TDA, or at a minimum, a copy of the approved documentation showing the restructures have been submitted for TDA update in accordance with approved VERA and/or VSIP.

7. REPORTING REQUIREMENTS. No later than the 10th day of the month following the end of each quarter within the fiscal year (through FY 2021, unless the \$40,000 VSIP limit is extended), Commands will provide the following VSIP usage data for the previous quarter to AG-1CP:

- a. Total number of employees canvassed;
- b. Total number of VSIP applications received;
- c. Total number of employees offered VSIP;
- d. Total number of VSIPs paid;
- e. Total number of VSIP declinations and reasons (if known); and
- f. Average VSIP amount paid.

8. EQUAL EMPLOYMENT OPPORTUNITY. The use of these incentives will be based upon merit, without regard to race, ethnicity, color, religion, sex (including pregnancy and gender identity), national origin, age, disability, sexual orientation, genetic information or other non-merit-based factor.

9. POINT OF CONTACT. The POC for questions regarding this VERA/VSIP policy and implementing guidance is the Chief, Staffing and Classification Division, AG-1CP.