



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
9301 CHAPEK ROAD, FORT BELVOIR, VA 22060-5527

AMC Policy Memo 690-01
Expires: 31 July 2006

AMCPE-F

21 July 2004

MEMORANDUM FOR ALL HQ AMC MANAGERS AND SUPERVISORS

SUBJECT: HQ AMC Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Pay (VSIP) Policy and Procedures

1. This memorandum forwards HQ AMC policy and procedures for implementing the VERA and VSIP.
2. **VERA/VSIP under the National Security Personnel System (NSPS).** With the creation of the National Security Personnel System, the Secretary of Defense was given authority to establish a permanent downsizing and restructuring VERA/VSIP program. VERA and VSIP are management tools which can be used to reduce the number of personnel employed by the Department of Defense or to restructure the workforce to meet mission objectives without reducing the overall number of personnel. When using the restructuring provisions, positions can be re-engineered for the skills we need, incumbent employees can be offered VSIP and/or VERA as appropriate, and then we can recruit for the new restructured position. In addition, under these provisions, vacated positions must be restructured; they cannot be abolished and/or left unfilled. Employees eligible for VSIP may be paid up to \$25,000 (gross before taxes and deductions) based on service time and age at the time of their separation by retirement (optional or early) or resignation. Funding for VSIP payments is paid out of the annual operating budget of the employing activity.
3. **VERA/VSIP Policy.** VERA and VSIP are to be administered in accordance with the Department of Defense memorandum dated 03 Dec 03, subject: National Security Personnel System – Voluntary Separation Incentive Pay (VSIP) and Voluntary Early Retirement Authority (VERA) Policy. The memorandum delegates to the Secretary of the Army the authority to approve early retirement and voluntary separation incentives for employees occupying positions up to the GS-15 level (and equivalent).
4. **VSIP Allocations.** Each Fiscal Year, Headquarters, Department of the Army (HQDA) will notify MACOM commanders of VSIP allocations that can be used for both downsizing and restructuring.
 - a. The DCS, G-1, in coordination with the G-8, will forward a proposed VERA/VSIP plan of action through the Chief of Staff to the Commanding General for approval. This plan of

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action will address the number of allocations to be requested from HQDA for either downsizing or restructuring, the appropriate timeframe to open a VERA/VSIP window, and the date that all employees approved for VERA/VSIP must be off the payroll. Once the VERA/VSIP plan is approved by the Commanding General, a formal notification to the HQ AMC workforce regarding the open window will be made after appropriate notification to the local labor union.

b. The DCS, G-1, will during any reduction of personnel (downsizing) use VERA/VSIP to the maximum extent possible to minimize the adverse impact on the workforce.

5. **VSIP eligibility.** Permanent U.S. citizen employees who have been continuously employed within DOD for 12 months are eligible for VSIP. Pursuant to 5 U.S.C. 5597, reemployed annuitants and employees that are eligible for disability retirement are not eligible for a VSIP. In addition, employees are not eligible if they are or have:

- Non-compensated for their employment
- Accepted an employment offer with another Federal agency
- Received a specific notice of RIF separation
- Declined to relocate with their position; or declined a transfer of function
- Received a decision notice of involuntary separation for misconduct or unacceptable performance
- Previously received a separation incentive payment
- Covered by a written service agreement resulting from Permanent Change of Station (PCS) or training, or in receipt of a recruitment or relocation bonus, unless waived by HQ AMC (see Note below);
- Receiving a retention allowance, occupying a position for which special salary rates are approved, or occupying a position defined as “hard to fill” (see Note below).

NOTE: Waivers may be granted on a case-by-case basis by the Commanding General (or in the case of special salary rates, the Assistant Secretary of the Army (Manpower and Reserve Affairs)), when that official determines the offer of separation is in the best interest of HQ AMC. Such exceptions will be documented in writing and retained by the DCS, G-1.

6. **VERA Eligibility.** Permanent employees who have been continuously employed within DoD for more than 30 days are eligible for VERA. They must meet the applicable requirements of the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS), including the age and length of service requirements; i.e., Age 50 with 20 years of service, or any age with 25 years of services. Employees who have received a decision notice of involuntary separation for misconduct or unacceptable performance are ineligible for VERA.

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7. **VERA without VSIP.** Management may elect to offer VERA with or without VSIP.

8. **VERA/VSIP Program Procedures.**

a. Employees will be issued a written notice by the HQ AMC Civilian Personnel Advisory Center (CPAC) offering the VSIP and/or VERA. The notice shall specify a time limit for accepting the offer, the eligibility and employment restrictions mentioned above, and the date by which the employee approved for VERA/VSIP must be off the payroll. VERA/VSIP applications will be accepted for 30 days.

b. Upon receipt of employee VERA/VSIP applications during the open window, management will determine if the affected positions can be restructured. Restructuring requires a downgrade of the position or major change in occupational series (significantly different skills sets) with or without reduction in the grade level. The focus of restructuring should be on downgrading to that entry-level which will revitalize the workforce and maintain a skills base sufficient to train the personnel replacing the departing employees. If more applications are forwarded to the G-1 for final approval than the allocated number for the headquarters, applications shall be processed in order of seniority using the leave service computation date.

c. Each VERA/VSIP application recommended by management to the G-1 must identify the TDA paragraph and line number associated with the departing individual as well as the new job title, series and/or grade of the restructured position. The VERA/VSIP applicant's chain of supervision will submit all applications recommended for approval to the CPAC not later than 14 days after receipt of the employee's application. For those applications requiring a waiver, the CPAC will review and forward meritorious cases through the Chief of Staff to the Commanding General or HQDA not later than seven days after receipt in the CPAC.

d. The G-1 will approve VERA/VSIP applications and notify the applicant through his/her chain of command not later than 14 days after closure of the VERA/VSIP window. Applicants requiring waivers will be notified within two workdays of receipt of the waiver decisions from the Commanding General or HQDA.

e. Employees may withdraw their VERA/VSIP application up to the effective date of separation.

f. Restructuring positions. Once VERA/VSIP has been approved, the position must be restructured exactly as identified on the application. The vacated position cannot be abolished and it cannot be re-established again as it was. The position should be filled within a reasonable timeframe. The position may be filled using any appropriate source; however, the

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action must still comply with applicable mandatory placement requirements, including the DoD Priority Placement Program (PPP).

g. Exceptions to procedures. Applications received after closure of the open Window and/or requests for delayed separation dates will require the approval of the Commanding General.

9. It is essential that this guidance be followed to enable HQ AMC to offer and approve VERA/VSIP in a timely manner to restructure our workforce to meet mission objectives.

FOR THE COMMANDER:

//Signed//
RICHARD A. HACK
Lieutenant General, USA
Deputy Commanding General