



DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
5001 EISENHOWER AVENUE, ALEXANDRIA, VA 22333 - 0001

REPLY TO
ATTENTION OF

18 DEC 1996

AMCPE-CE (690-351)

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Pay (VSIP)

1. References:

- a. Memorandum, HQ AMC, AMCPE-CE, 06 Dec 95, subject: Voluntary Separation Incentive Pay (VSIP) Guidance.
- b. Memorandum, HQ AMC, AMCPE-CE, 26 Jul 96, subject: Voluntary Separation Incentive Pay (VSIP) Plans and Procedures.
- c. Memorandum, HQ AMC, AMCPE-CE, 25 Oct 96, subject: Voluntary Separation Incentive Pay (VSIP).

2. The enclosed point paper was prepared to define VERA and VSIP and explain the purpose and use of these authorities to employees. Although it was written to help employees understand these programs, it may also be useful to the Civilian Personnel staff in planning for and executing VERA/VSIP windows.

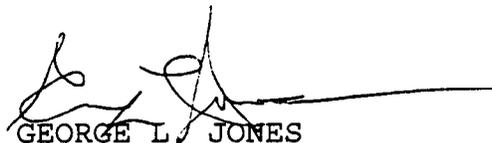
3. Our goal should continue to be to provide AMC managers with the maximum flexibility allowed in the execution of VSIP while ensuring that we remain within the legal and regulatory parameters established by Congress, Department of the Army, and Department of Defense.

4. Within the past year, we have published the guidance referenced above to use when planning for and executing VSIP windows. My staff is always willing to discuss this guidance and work with you to ensure you understand all the flexibility available within the legal and regulatory parameters.

5. AMC -- America's Arsenal for the Brave.

FOR THE COMMANDER:

Encl
as


GEORGE L. JONES
Deputy Chief of Staff
for Personnel

DISTRIBUTION:
All MSCs and CPOs

01 NOV 1996

AMCPE-CE

POINT PAPER

SUBJECT: Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Pay (VSIP)

PURPOSE: To provide information concerning the rules and regulations governing VERA and VSIP.

FACTS:

o VERA is a retirement authority that allows employees to retire early in order to avoid involuntary separations or downgrades during Reduction in Force (RIF). VERA may be offered at any location where acceptance of VERA will result in saving an employee from involuntary separation or downgrade.

o VSIP is a lump sum incentive payment used to avoid involuntary separations during Reduction in Force (RIF). VSIP may be offered at any location where acceptance of VSIP will result in saving an employee from involuntary separation. Employees who accept VSIP may separate under an optional retirement, early retirement (VERA) or resignation authority.

o When VSIP is offered, one employee must be saved from involuntary separation for each employee who separates with VSIP, and the employee saved must have been surplus and/or facing involuntary separation.

-- Employees approved to receive VSIP could separate with VERA if they met the applicable age and/or years of service criteria (i.e., at least 20 years of creditable service and at least 50 years of age, or at least 25 years of creditable service regardless of age).

o VSIP and VERA can only be offered at activities where a specific RIF impact has been documented. This means that an activity has identified a near-term requirement to reduce civilians, and those reductions cannot be achieved through normal attrition so a RIF would be required to meet the reductions.

o Employees who are within the boundaries of the specific RIF can be offered VSIP and VERA since these employees are facing potential RIF impact.

-- RIF boundaries (i.e., the competitive area) are defined in terms of organization and geographic location.

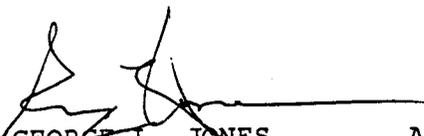
-- An activity may also request expansion of VSIP and VERA to include all activities within the same component (i.e., Army) at the same geographic location as the activity undergoing RIF.

c Although an activity, such as a Major Subordinate Command (MSC) or Separate Reporting Activity (SRA), may have employees who are assigned to many different geographic locations, the employees would normally not fall under the same RIF boundaries because of their geographic dispersity.

-- In many cases, reductions are not taken at every location of an MSC or SRA. This means that while one location within an MSC or SRA is reducing and offering VSIP and VERA based on a potential RIF impact, another location within the same MSC or SRA may not be reducing so VSIP and VERA are not offered because there is no potential RIF impact to those employees.

-- A RIF at one geographic location within an MSC or SRA does not have any impact on employees of that MSC or SRA at a different geographic location.

RELEASED BY:


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