



DEPARTMENTS OF THE ARMY AND THE AIR FORCE
JOINT FORCES HEADQUARTERS – ALASKA
HUMAN RESOURCES OFFICE
PO BOX 5800
JBER-FORT RICHARDSON, AK 99505-5800

7 Aug 12

MEMORANDUM FOR ALL AKNG MANAGERS AND SUPERVISORS

SUBJECT: Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Pay (VSIP) (HRO Policy Letter 12-07)

1. Purpose: The VERA and VSIP are used in reshaping and restructuring the workforce to meet mission objectives and avoid the need to involuntarily separate through Reduction-In-Force (RIF). Cash incentives up to a maximum of \$25,000 (gross before taxes and deductions) may be offered to employees who agree to voluntarily retire or resign from their positions. This policy supersedes HRO Policy Letter 09-04.
2. References: Section 9902(f) of Title 5, United States Code (U.S.C.), as enacted by section 1101 of the National Defense Authorization Act of Fiscal Year 2004, Public Law 108-136 (November 24, 2003), Code of Federal Regulations Title 5 sections 550, section 831 and 842).
3. Initiation of process: The Army Chief of Staff (CoS), Air Guard Director of Staff (DoS) or the Wing Commanders will request VSIP and VERA authority to the Human Resources Officer (HRO). Approval will be contingent upon validation of the organizational restructuring plan and available quotas from higher headquarters. Receipt of incentives is not an employee entitlement regardless of authority allotments. Approval of incentives must be in accordance with Department of Defense (DoD), National Guard Bureau (NGB), and Alaska National Guard (AKNG) policies.
4. Announcement/application process: A general announcement may be published by HRO indicating the opening and closing date, the number of anticipated separation incentives, and any approved non-personal and objective factors being considered. The announcement may be closed prior to the closing date if the requested number of applicants is achieved. Several opportunity periods may be used in order to achieve the agency's overall requirements. When the number of applications for VSIP exceeds the offers available, applications will be approved in order of seniority using the Leave Service Computation Date (LVSCD) Note: Those selected will receive an application packet from the HRO. To be eligible for a buyout, an employee must voluntarily leave the Federal government under these options:
 - a. Optional Retirement – Employees meeting the existing requirements under either the Civil Service Retirement System (CSRS) or Federal Employees Retirement Systems (FERS).
 - b. Voluntary Early Retirement – Employees with at least 20 years of service at age 50, or 25 years service at any age may retire under the VERA. There will be a reduction in annuity of two percent per year for each full year under age 55 if covered by CSRS. This reduction is permanent and will not change when the annuitant reaches age 55. There is no reduction under FERS. However, under FERS, the employee will not receive the Special Retirement Supplement until he/she reaches the minimum retirement age (MRA).
 - c. Resignation – Employees under any retirement system may resign anytime.
5. Ineligibility: You are ineligible to receive the separation incentive if you: (1) have not been continuously employed by the DoD for 12 months immediately preceding the effective date of separation; (2) are on a time-limited appointment; (3) are a re-employed annuitant; (4) would be eligible for disability retirement under any Federal employee retirement system; (5) are a non-compensated employee; (6) have accepted a position in another Federal agency; (7) have received a specific notice of

RIF separation; (8) declined to relocate with your position or declined a transfer of function; (9) have received a decision notice of involuntary separation for misconduct or unacceptable performance; (10) have previously received a separation incentive payment; (11) during the 36-month period preceding the date of separation, performed service for which a student loan repayment benefit was paid, or is to be paid; (12) during the 24-month period preceding the date of separation, performed service for which a recruitment or relocation incentive was paid, or is to be paid; or (13) during the 12-month period preceding the date of separation, performed service for which a retention incentive was paid, or is to be paid; (14) occupying a critical acquisition position; (15) occupying a position defined as “hard-to-fill”; or (16) occupying a position for which a special salary rate has been approved. Other ineligibility factors may exist and will be published at the time of the announcement.

6. Waivers: A waiver may be granted if it is determined the offer of separation pay is in the best interest of the AKNG when the employee is (1) covered by a written service agreement resulting from Permanent Change of Station (PCS) or training; (2) in receipt of a recruitment or relocation incentive; (3) receiving a retention incentive; (4) occupying a position for which special salary rates are approved; (waiver request must be approved by the appropriate DoD Component Assistant Secretary through NGB); or (5) occupying a position defined as “hard to fill.” Waivers must be documented in writing.

7. Acceptance agreement: NGB will establish the effective date of separation under these programs. Employees accepting an incentive must sign a VSIP agreement confirming the voluntary nature of the action and indicating understanding of the re-employment eligibility and payment terms of the incentive. The application cannot be withdrawn once NGB has approved the application, at which time the employee is committed to voluntary separation and entitled to receive the separation incentives.

8. Payment terms: Incentive payment will be determined at the time of approval but by default will be paid in a lump sum, less deductions for FICA/Medicare taxes and Federal income taxes. The amount of incentive will be the lesser of (1) \$25,000; or (2) the amount of employee’s severance pay. Cost of Living Allowance (COLA) will not be used in the computation of severance pay. The severance pay formula will include basic allowance and age adjustment allowance that is computed as follows:

a. Basic Allowance – One week of basic pay for each year of civilian service up to ten years and two weeks of basic pay for each year of civilian service beyond ten years.

b. Age Adjustment Allowance – The basic allowance is augmented by 2.5 percent of basic severance pay allowance for each full three months of age over 40 years.

c. Severance pay may not exceed an amount equal to 52 weeks of basic pay.

9. Reemployment restrictions: Employees cannot be re-employed by DoD in any capacity for a 12-month period beginning on the date of separation unless approved by the Secretary of Defense. If re-employed within the Federal government (including employment in non-appropriated fund or through personal services contract with the United States) within five years from date of separation, the employee would be required to repay the entire incentive payment (gross amount before taxes and deductions) to DoD. Employees separating under these programs are not eligible for the Priority Placement Program (PPP).

10. Point of contact is the Staffing Human Resources Specialist at 428-6459.



EDITH M. GRUNWALD, Col, AKANG
Human Resources Officer