

## INFORMATION SHEET

### "VOLUNTARY SEPARATION INCENTIVE PROGRAM"

1. Eligibility. To receive the separation incentive, you must volunteer to resign, or retire under optional or early retirement procedures. You are eligible for separation incentive pay if you meet the following criteria and circumstances:

a. You must have been continuously employed in DoD for at least 1 year on a full-time permanent appointment;

b. For optional retirement, you must meet existing retirement criteria and qualify under either the Civil Service Retirement System (CSRS) or Federal Employees Retirement System (FERS);

c. You must meet the eligibility requirements for the type of retirement you are requesting by the date of your separation;

d. Your current position must be abolished upon your separation or management must fill the vacancy created by your separation through reassignment of another qualified employee, whose position must then be abolished; and

e. You must request to be considered for and be selected to receive an incentive.

2. Amount and formula for the separation incentive:

a. The amount of the separation incentive is not discretionary. It is an amount equal to the employee's calculated severance pay entitlement or \$25,000, whichever is less. The legislation authorizing these incentives specifically identifies this methodology and amount. Any severance pay the

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employee previously received must be deducted from the severance pay calculation. It should be noted that employees who voluntarily retire or resign are not normally eligible for severance pay; it is used here for monetary calculation purposes only.

b. The actual formula for separation incentive calculation is as follows: Determine the amount of 1 week of your basic pay (from LES). Take 1 week of basic pay for each of the first 10 years of civilian creditable service, then add 2 weeks of basic pay for every year over 10 years. That's your first figure. Then take 10 percent of that amount. Multiply that 10 percent figure times the number of years you are over age 40. Add that figure to your first figure. That's your severance pay calculation. If it comes out to less than \$25,000, it reflects the amount of your incentive, as long as it does not exceed your annual salary. The maximum you can receive is \$25,000 or your annual salary, whichever is less.

### 3. Other considerations:

a. An employee who accepts a separation incentive and who accepts re-employment with the Federal Government within 5 years after separation must repay the entire amount of the separation pay to the Defense agency that paid it. The Office of Personnel Management (OPM) can waive the repayment if the individual possesses unique abilities and is the only qualified applicant available for the position. Additionally, employees within the DoD who accept separation incentives are prohibited from being employed within the DoD on a personal services contract for a 12-month period, unless a waiver has been granted.

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b. Employees who accept the incentive must sign a statement on an SF-52 confirming the voluntary nature of the action and indicating their understanding of the reemployment restrictions. The statement will also indicate that the request for personnel action is irrevocable.

c. Due to the voluntary nature of the separation action, employees receiving separation incentives are precluded from registration in the DoD Automated Stopper and Referral System (ASARS) (formerly Priority Placement Program).

d. Employees who separate and receive a separation incentive will be required by DON to repay this money if they are later approved by OPM for disability retirement. Employees who are receiving Federal Employees Compensation Act (FECA) payments from the Office of Workers Compensation Programs (OWCP), but have not been separated from DON, are eligible to resign or retire and receive the separation incentive, but should be aware that FECA payments may then be offset by an amount equivalent to their incentive.

4. You are ineligible for separation incentive consideration if:

a. You have a pending or approved application for disability retirement;

b. You have accepted a position with another Federal agency;

c. You are serving under an appointment with a time limitation;

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- d. You are subject to a dual compensation waiver;
  
- e. You are covered by a retention agreement;
  
- f. You are covered by a written service agreement resulting from permanent change of station, training, or receipt of a recruitment or relocation bonus;
  
- g. You occupy a position for which special salary rates are approved; or
  
- h. You occupy a position defined as "hard to fill."

Note: Exceptions may be granted on a case-by-case basis to employees in the categories listed under subparagraphs 5d through 5h above. Exception to special salary rates requires approval of the Office of the Deputy Assistant Secretary of the Navy.

VOLUNTARY EARLY RETIREMENT AUTHORITY (VERA)

- 1. For early retirement, you must (1) have been continuously employed by DOD since 19 May 2000, (2) be on a non-time limited appointment, and (3) not be in receipt of a decision of involuntary separation for misconduct or unsatisfactory performance.
  
- 2. The Office of Personnel Management strictly limits the number of voluntary early retirements. The authority for such retirements automatically expires once the limit (i.e., the number approved) is met. If an employee's planned early retirement date is after the automatic termination date, the

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installation must give the employee an opportunity to retire  
immediately; otherwise, the early retirement is voided.