

STAFFING

1. REASON FOR ISSUE: To provide Department-wide policy regarding requests for Voluntary Early Retirement (VERA) and Voluntary Separation Incentive Payment (VSIP) authority for VA organizations that are undergoing substantial organizational change (e.g., reduction in force, reorganization, reshaping, delayering).

2. SUMMARY OF CONTENTS/MAJOR CHANGES: This handbook contains mandatory VA procedures on staffing. The pages in this issuance replace the corresponding page numbers in VA Handbook 5005. Appendices IV-D through IV-F are added. Revised text is contained in [brackets]. These changes will be incorporated into the electronic version of VA Handbook 5005 that is maintained on the [Office of Human Resources Management Web site](#). Significant changes include:

- a. Adds VERA Fact Sheet.
- b. Adds instructions for requesting VERA authority.
- c. Adds VSIP Fact Sheet.
- d. Adds instructions for requesting VSIP authority.

3. RESPONSIBLE OFFICE: The Recruitment and Placement Policy Service (059), Office of the Deputy Assistant Secretary for Human Resources Management.

4. RELATED HANDBOOK: VA Handbook 5005, Staffing.

5. RESCISSIONS: None.

CERTIFIED BY:

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**BY DIRECTION OF THE SECRETARY
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**PART IV
CHAPTER 2**

(2) Employees without assignment rights who have received specific RIF separation notices may be offered vacant, lower-grade positions without regard to the three-grade level limit which applies to bump and retreat. These offers may be made so long as the position would not constitute a better RIF offer to other competing employees. Eligible employees who voluntarily accept lower-graded positions will be entitled to grade and pay retention benefits.

3. DELEGATIONS OF AUTHORITY

a. The Secretary, or designee(s), will approve RIF actions involving positions centralized to the Secretary and all furloughs.

b. Under Secretaries, Assistant Secretaries, Other Key Officials, or their designee(s), with the advice and assistance of the Office of Human Resources Management, will approve all other actions within VACO elements under their jurisdiction, and within field facilities under their jurisdiction requiring VACO approval.

c. Field facility directors will approve all RIF actions within their respective jurisdictions unless the action involves a centralized position or separating an employee without an assignment offer.

4. REQUESTS TO TAKE ACTION

a. **Reduction in Force.** Field facility directors will submit a request, through channels and the Office of Human Resources Management [], to the appropriate official listed in VA Directive 5005 before proceeding with RIFs that involve a centralized position or separating an employee without an assignment offer. This authority may be redelegated by officials listed in paragraph 3. The Under Secretary for Health has delegated RIF authority as specified in appendix IV-B. Information regarding submitting proposed RIFs is provided on the [OHRM Web site](#). The request will include the following information.

(1) The reason(s), among those in 5 CFR 351.201(a)(2), for the action;

(2) The titles, series, grades, and numbers of all involved positions and

(3) If the RIF occurs in a research project, the name of the project and principal investigator.

b. **Transfer of Function.** Field facility directors will submit a request, through channels and the Office of Human Resources Management [], to the appropriate official listed in VA Directive 5005 before they separate or include in a concurrent RIF employees who decline to transfer with their functions. The request will include the information in subparagraph 4a(2).

c. **Furlough.** Under Secretaries, Assistant Secretaries, Other Key Officials, and field facility directors will submit a request, through channels and the Office of Human Resources Management [], to the Secretary before proceeding with a furlough, whether under adverse action or RIF procedures. The request will include a description of the temporary conditions warranting a furlough, the information in paragraph 4a, the proposed length of the furlough, including the beginning and ending dates, and any

alternatives to furloughs that were considered. Requests for adverse action furloughs also will identify the method used to select employees for furlough.

d. **Voluntary Early Retirement Authority (VERA).** The Deputy Assistant Secretary for Human Resources Management [] is authorized to request VERA from OPM. The request must meet the criteria and include the information required by OPM [(see Appendix IV-E for instructions on preparing a VERA request)]. Under Secretaries, Assistant Secretaries, and Other Key Officials will submit conforming plans, through channels, to the Office of Human Resources Management []. Each facility authorized and utilizing VERA will establish and maintain a local VERA plan consistent with [guidance provided by OPM covering proper management of the VERA option. Appendix IV-D contains a fact sheet for employees considering voluntary early retirement.

e. **Voluntary Separation Incentive Payments (VSIP).** The Deputy Assistant Secretary for Human Resources Management is authorized to request VSIP authority from OPM. The request must meet the criteria and include the information required by OPM. Under Secretaries, Assistant Secretaries, and Other Key Officials will submit conforming plans, through channels, to the Office of Human Resources Management. Each facility authorized and utilizing VSIP will establish and monitor the authority consistent with OPM requirements utilizing the goals defined in the agency's implementation plan. See Appendix IV-G for instructions on preparing a request for VSIP authority. Appendix IV-F contains a fact sheet for employees considering a voluntary separation incentive payment.

f. **References**

- (1) 5 U.S.C. 2105
- (2) 5 U.S.C. 3521
- (3) 5 U.S.C. 8336(d)(2)(D) for CSRS
- (4) 5 U.S.C. 8414(b)(1)(B) for FERS
- (5) 5 CFR Part 576
- (6) 5 CFR Part 831.114 for CSRS
- (7) 5 CFR Part 842.213 for FERS]

[APPENDIX D.
VOLUNTARY EARLY RETIREMENT FACT SHEET

1. GENERAL. Voluntary Early Retirement Authority (VERA) assists an agency in completing a major personnel or workload change with minimal disruption to the work force. Voluntary early retirement authority must be requested by the agency and approved by the Office of Personnel Management (OPM). OPM makes the determination as to whether the agency is undergoing a major Reduction in Force (RIF), reorganization or transfer of function after reviewing a written request from the agency head or designee. Further, OPM will designate the specific geographic area(s) or occupation(s) covered by the retirement option. They also stipulate a period of time during which the option will remain available. Voluntary early retirement offers apply to employees covered under both the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS).

2. EMPLOYEE ELIGIBILITY. An employee is eligible to apply for voluntary early retirement with an immediate annuity provided he/she has met ALL of the following conditions:

- a. At least age 50 with at least 20 years creditable Federal service, OR any age with at least 25 years creditable Federal service;
- b. Minimum of 5 years civilian service;
- c. Separation from a position subject to CSRS or FERS coverage (if subject to CSRS, must be covered under CSRS for at least 1 out of the 2 years prior to retirement);
- d. Has served in a position covered by the OPM authorization for the minimum time specified by OPM (usually 31 days); and
- e. Separates by the close of the early-out period.

3. EFFECT OF EARLY RETIREMENT ON BENEFITS

- a. Federal Employees Health Benefits (FEHB) coverage can be continued into retirement provided the employee has been covered under the FEHB for at least 5 years prior to retirement. Coverage as an annuitant is identical to coverage as an employee, but premiums are not paid on a pre-tax basis.
- b. Federal Employees Group Life Insurance can be continued into retirement provided the employee has carried the coverage for at least 5 years prior to retirement. Value and cost depend on elections made at retirement.

4. EMPLOYMENT AFTER VOLUNTARY EARLY OUT

- a. **Non-Federal Employment.** There is no restriction on non-Federal employment after a voluntary early retirement. However, employees covered under FERS who qualify for the annuity supplement could have the supplement reduced or discontinued due to the earning limitations.

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b. **Federal Employment.** If an annuitant is hired under a Federal appointment that provides for coverage under CSRS or FERS (generally non-temporary employment), then the annuitant is considered a “reemployed annuitant.” This means the annuity will continue, and the Federal salary will be offset by the annuity. If the reemployed annuitant works at least 1 year full time, then the annuitant may apply for a supplemental annuity. If the annuitant works at 5 years full time, then the annuitant may choose either the supplemental annuity or a re-computed annuity.]

[APPENDIX E. CHECKLIST FOR VERA REQUESTS

This checklist provides VA organizations with a framework for submitting requests to Office of Human Resources Management (OHRM) for Voluntary Early Retirement Authority (VERA). All of the information covered in this VERA template is required by statute or regulation.

Organization(s): _____

Date of Request: _____

_____1. Request is signed by the appropriate Under Secretary, Assistant Secretary or Other Key Official or a specific designee with delegated authority.

_____2. Identifies the organizational unit(s) for which a determination is requested.

_____3. Clearly states reason(s) why the authority is needed:

The reason(s) must describe the circumstances leading to the request and explain why the organization believes that VERA will be an appropriate strategy for making the required adjustments in the workforce. This must also include a detailed summary of the organization’s personnel and/or budgetary situation that will result in an excess of personnel because of a substantial delayering, reorganization, reduction in force, transfer of function, or other workforce restructuring or reshaping.

_____4. Identifies the date which the organization expects to effect the substantial delayering, etc.

The date provided must not be earlier than the ending date provided in number 5 below.

_____5. Show the time period during which the organization plans to offer VERA.

_____6. Provides the total number of non-temporary employees in the organization undergoing change.

If you are requesting VERA for only a part of your organization, provide the data for that portion of the organization only. Do not provide the number of permanent employees for the entire organization.

_____7. Provides the total number of non-temporary employees in the organization who may be involuntary separated, downgraded, transferred, or reassigned as a result of the organization’s situation.

If you are requesting VERA for only a part of your organization, provide the data for that portion of the organization only. Do not provide the number of permanent employees for the entire organization.

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____8. Provides the total number of employees in the organization who are eligible for early retirement.

If you are requesting VERA for only a part of your organization, provide the data for that portion of the organization only. For this purpose, you should exclude all employees who are eligible for optional retirement.

____9. Includes an estimate of the total number of employees in the organization who are expected to retire early during the period covered by the request for VERA.

If you are requesting VERA for only a part of your organization, provide the data for that portion of the organization only.

____10. Provide a description of the types of personnel actions anticipated as a result of the organization's need for VERA.

This information need not be comprehensive. It should, however, be detailed enough to show how VERA will assist you in accomplishing your restructuring, reshaping, and/or downsizing plans-and the personnel actions you expect to take in concert with VERA to accomplish your goals.]

[APPENDIX F. VOLUNTARY SEPARATION INCENTIVE PAYMENT FACT SHEET

1. GENERAL. Voluntary Separation Incentive Payments (VSIP or buyout) allow agencies to offer lump-sum payments to employees who are in surplus positions or have skills that are no longer needed in the workforce, as an incentive to voluntarily separate. Under VSIP, agencies may offer up to \$25,000 or an amount equal to the amount of severance pay an employee would be entitled to receive, whichever is less. Employees may separate by resignation, optional retirement, or by voluntary early retirement if approved.

2. EMPLOYEE ELIGIBILITY. An employee is eligible to apply for a voluntary separation incentive payment provided he/she has met ALL of the following conditions:

- a. Serving under an appointment without time limitations;
- b. At least age 50 with at least 20 years creditable Federal service, OR any age with at least 25 years creditable Federal service;
- c. Currently employed by the Federal Government for a continuous period of 3 years;
- d. Serving in a position covered by an agency VSIP offer;
- e. Applied for and received approval for a VSIP under an agency VSIP plan; and
- f. Not included in any of the ineligibility categories identified in paragraph 3 below.

3. INELIGIBILITY. Employees in the following categories are not eligible for voluntary separation incentive payments. Employees who:

- a. Are reemployed annuitants;
- b. Have a disability such that the individual is or would be eligible for disability retirement;
- c. Are in receipt of a decision notice of involuntary separation for misconduct or unacceptable performance;
- d. Previously received any VSIP from the Federal Government;
- e. 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;
- f. During the 24-month period preceding the date of separation, performed service for which a recruitment or relocation incentive was paid or
- g. During the 12-month period preceding the date of separation, performed service for which a retention incentive was paid or is to be paid.

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4. VSIP REPAYMENT REQUIREMENT

a. An employee who receives a VSIP and later accepts employment for compensation with the Government of the United States within 5 years of the date of the separation on which the VSIP is based, including work under a personal services contract or other direct contract, must repay the entire amount of the VSIP to the agency that paid it - before the individual's first day of reemployment.

b. The Director of the Office of Personnel Management may, at the request of the Secretary, waive the repayment upon reemployment in VA if:

(1) The individual involved possesses unique abilities and is the only qualified applicant available for the position; or

(2) In case of emergency involving a direct threat to life or property, the individual:

(a) Has skills directly related to resolving the emergency; and

(b) Will serve on a temporary basis only as long as the individual's services are made necessary by the emergency.]

[APPENDIX G. CHECKLIST FOR VSIP REQUESTS

This checklist provides VA organizations with a framework for submitting requests to Office of Human Resources Management (OHRM) for Voluntary Separation Incentive Payment (VSIP) authority. All of the information covered in this VSIP template is required by statute or regulation.

Organization(s): _____

Date of Request: _____

1. Request is signed by the appropriate Under Secretary, Assistant Secretary or Other Key Official or a specific designee with delegated authority.
2. Request identifies the organizational unit(s) for which a determination is requested.
3. Request identifies the intended use of the VSIP authority and includes a VSIP Implementation Plan and Human Capital Plan.
4. The VSIP Implementation Plan includes:
 - a. Identification of specific positions and functions to be reduced or eliminated (identified by organization unit, geographical location, occupational category, grade level and any other factors related to the position);
 - b. A description of the categories of employees who will be offered incentives (identified by the organizational unit, geographical location, occupational category, grade level and any other factors such as skills and knowledge, or retirement eligibility);
 - c. The time period during which incentives will be paid;
 - d. The number and maximum amounts of voluntary separation incentive payments to be offered;
 - e. A description of how the organization will operate without the eliminated/restructured positions;
 - f. A proposed organizational chart displaying the expected changes in the organizational structure after the organization has completed the incentive payments;
 - g. If the organization has requested VERA, an explanation of how that authority will be used in conjunction with VSIP; and
 - h. If the organization is offering separation incentives under other statutory authority, a description of how that authority is being used.]