



United States  
Department of  
Agriculture

Office of the  
Assistant Secretary  
for Administration

Office of  
Human Resources  
Management

1400 Independence  
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Washington, DC  
20250-9600

**DATE:** November 24, 2009

**TO:** All Headquarters Departmental Management Employees

**FROM:** David F. Love *David F Love*  
Human Resources Operations Transition Coordinator  
Office of Human Resources Management

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

The U.S. Department of Agriculture (USDA) has received approval from the U.S. Office of Personnel Management (OPM) to offer voluntary early retirement (VERA-Early Out) and voluntary separation incentive payments (VSIP-Buy Out) to Departmental Management (DM) employees with a Washington D.C. duty station who are (1) eligible for and elect an immediate annuity, either through optional or early retirement and (2) are in one of the covered occupational groups. Retirement eligibles occupying positions in one of the following job categories are eligible to consider the VERA/VSIP options.

- GS-0000 Miscellaneous Occupational Group;
- GS-0200 Human Resources Management Group;
- GS-0300 Administrative, Clerical, and Office Services Group;
- GS-0600 Medical, Hospital, Dental, and Public Health Group;
- GS-1000 Information and Arts Group;
- GS-1300 Physical Sciences Group;
- GS-1600 Equipment, Facilities, and Services Group;
- GS-1700 Education Group;
- GS-1900 Quality Assurance, Inspection, and Grading Group;
- GS-2000 Supply Group; and
- GS-2200 Information Technology Group

Employees selecting the VSIP option are eligible for a lump sum payment of \$25,000 (gross) or an amount equal to the employee's computed severance pay, whichever is less. Since the VSIP is limited to retirement eligibles, the vast majority of the VSIP payments would be at the maximum level of \$25,000 gross.

The open period for election of optional retirement with a VSIP or early (VERA) retirement either with or without a VSIP is December 1, 2009, through December 14, 2009. All retirements must be effective no later than January 3, 2010.

**OPM has authorized a maximum of 100 VSIP slots.** Therefore the first 100 VSIP elections received from DM employees encompassed by the VERA/VSIP authorizations during the open period will be eligible for the VSIP.

The decision to choose any of these options is completely voluntary. In order to provide additional background information on the VERA and VSIP authorizations, the following overview sessions have been scheduled:

Monday, November 30, at 10 a.m. in Room 107A, Whitten Building; and

Thursday, December 3, at 10 a.m. in Room 107A Whitten Building.

(In the event that a participant needs us to arrange for a sign language interpreter, please contact Shelley Pree through e-mail at [Shelley.Pree@ars.usda.gov](mailto:Shelley.Pree@ars.usda.gov) .)

**Please note that an employee who accepts the VSIP offer may not accept reemployment with the Federal Government, either by appointment or a personal services contract for a period of five (5) years, unless the employee repays the entire gross amount of the VSIP to USDA.**

All employees who accept an offer of an optional retirement with a VSIP or early retirement with or without a VSIP must complete the enclosed decision form. **We have reserved Room 107A from 8:00 a.m. through noon, on Tuesday, December 1, to accept decision forms.** After 12:00 p.m. on December 1, 2009, you must return the decision form by fax to the attention of Shelley Pree, Departmental HR Operations Branch, at fax number (301) 504-4883, or you can deliver the form to Ms. Pree directly at the George Washington Carver Center, Room 3-1270. Before faxing the decision form, please e-mail Ms. Pree at [Shelley.Pree@ars.usda.gov](mailto:Shelley.Pree@ars.usda.gov) to alert her of your faxed request. The faxed form will automatically be date-stamped upon receipt. The first 100 decision applications received from DM employees who meet the criteria summarized above will be eligible for a VSIP.

Employees can contact Lisa Carroll at (202) 720-4292 to arrange for retirement counseling. Employees are responsible for completing all necessary paperwork, including Form SF-2801 "Application for Immediate Retirement" (CSRS) or SF-3107 "Application for Immediate Retirement" (FERS) and providing these forms to the Human Resources Division.

Also, enclosed are Questions and Answers to assist you in making this important decision. Please contact Shelley Pree at (301) 504-4428 if you have any further questions.

Enclosures

**DECISION APPLICATION TO RETIRE UNDER OPTIONAL RETIREMENT WITH A VOLUNTARY SEPARATION PAYMENTS INCENTIVE (VSIP) OR A VOLUNTARY EARLY RETIREMENT (VERA) WITH OR WITHOUT A VSIP**

\_\_\_\_\_ I hereby request to retire under the Early Retirement Option (VERA) effective \_\_\_\_\_. My decision to retire is entirely voluntary and has not been coerced.

This retirement is:

\_\_\_\_\_ with the VSIP Option\*

\_\_\_\_\_ without the VSIP Option

\_\_\_\_\_ I request to retire under Optional Retirement with a Voluntary Separation Incentive Payments (Buy Out) \* effective \_\_\_\_\_. My decision to retire is entirely voluntary and has not been coerced.

\*I understand that if I choose to receive a Voluntary Separation Incentive Payments (Buy-Out), I will be responsible for repaying the entire gross amount of the payment to the U.S. Department of Agriculture if I accept any employment for compensation (either by appointment, personal services, or other direct contract) with the Federal Government within five years of the date of separation. I also understand that, if I am eligible to receive a VSIP, this statement serves as my commitment to retire under an immediate annuity no later than January 3, 2010.

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

RECEIVED IN HUMAN RESOURCES DIVISION

\_\_\_\_\_  
DATE

**VOLUNTARY EARLY RETIREMENT AUTHORITY (VERA-EARLY OUT) AND  
VOLUNTARY SEPARATION INCENTIVE PAYMENTS (VSIP-BUY OUT)**

**QUESTIONS & ANSWERS**

**ELIGIBILITY**

**1. What is the open period for VERA and VSIP?**

The open period for acceptance of the decision form for either Optional Retirement with a VSIP or Early (VERA) Retirement with or without a VSIP is December 1, 2009 through December 14, 2009. All Optional and Early Retirements must be effective no later than January 3, 2010.

**2. What categories of positions are covered by the VERA and VSIP?**

The VERA and VSIP options are available to Departmental Management (DM) employees in positions with a Washington D.C. duty station\* who are (1) eligible for and elect an immediate annuity, either through optional or early retirement and (2) are in one of the covered occupational groups. Retirement eligibles occupying positions in one of the following job categories are eligible to consider the VERA/VSIP options:

- GS-0000      Miscellaneous Occupational Group;
  - GS-0200      Human Resources Management Group;
  - GS-0300      General Administrative, Clerical, and Office Services Group;
  - GS-0600      Medical, Hospital, Dental, and Public Health Group;
  - GS-1000      Information and Arts Group;
  - GS-1300      Physical Sciences Group;
  - GS-1600      Equipment, Facilities, and Services Group;
  - GS-1700      Education Group;
  - GS-1900      Quality Assurance, Inspection, and Grading Group;
  - GS-2000      Supply Group; and
  - GS-2200      Information Technology Group.
- Amendments to the initial VERA/VSIP requests are pending OPM approval. If approved, the amendments would expand the VERA/VSIP option to DM retirement eligibles (1) with a Beltsville, Maryland, duty station and (2) in positions assigned to the OHRM, Ethics Office, which are scheduled to relocate from New Orleans, Louisiana, to Washington, D.C. by the end of FY-2010.

**3. Who is eligible for the VERA?**

Normally, employees are eligible to retire when they have at least 30 years of service and are at least 55 (or the minimum retirement age under Federal Employees Retirement System (FERS)), have at least 20 years of service and age 60, or have at least 5 years of service and are 62. Additionally, FERS employees with 10 or more years of service may elect an immediate annuity

if they have reached the minimum retirement age. Under the VERA, the basic age and service requirements are reduced to 20 years of service at age 50 and 25 years of service, regardless of age. Individuals considering early retirement should be aware that there may be reductions in the amount of retirement pay based on an individual's age and years of service.

The option to elect voluntary early retirement is being extended to all of the employees defined under question 2 above with the exception of the following:

- (1) Employees on Schedule C or non-career SES appointments;
- (2) Employees who have not been continuously on the Agency's rolls since October 8, 2009;
- (3) Employees serving under time-limited appointments (temporary and term); and
- (4) Employees in receipt of a decision of involuntary separation for misconduct or unsatisfactory performance.

The decision to take advantage of the VERA option (with or without the VSIP) is completely voluntary and employees will not be coerced to take this option.

**4. Can I use my accumulated sick and/or annual leave to meet the service requirements for voluntary optional or early retirement?**

No. Accrued and unused sick leave and/or annual leave may not be used to meet service requirements for optional or early retirement eligibility.

**5. Who is eligible to receive a VSIP?**

The option to consider a VSIP is being extended to Early (VERA) and optional retirement eligibles in the job categories described under question 2 with the exception of Schedule C and non-career SES employees. Additionally, the employee must:

1. Be serving under an appointment without time limitations (not temporary or term);
2. Have been currently employed with the Executive Branch of the Federal Government for a continuous period of at least three years; and
3. Eligible for, and elect, an immediate annuity under Optional or Early Retirement.

**6. How much money will I receive if I qualify for the VSIP option? Is it Taxable?**

The VSIP will be either \$25,000 or your severance pay entitlement, whichever is less. Severance pay is equal to one week's pay for each year of Federal service up to 10 years, and two week's for each year of Federal Service over 10 years. A 10 percent premium is added to the weekly base for each year a person is over age 40. The total payment cannot exceed one year of pay based on the rate of pay for the previous 27 pay periods. In addition, the VSIP is subject to garnishment for alimony and child support, and is fully taxable. Employees retiring under the Federal Employees Retirement System (FERS) must also pay social security taxes.

## **7. When will I receive my VSIP?**

The VSIP is paid as a lump sum payment after separation. While we cannot guarantee a specific date, efforts will be made to see that you receive this lump sum as soon as possible after your retirement date.

## **8. Does the VSIP come with “any strings attached”?**

Acceptance of this payment is entirely voluntary and you cannot be coerced to take a VSIP. If you accept any employment for compensation with the Government of the United States within five (5) years of the date of the separation on which the payment is based, you will be required to repay the full gross amount of the VSIP payment to USDA. This includes employment by appointment, personal services contract, or other direct contract with the Federal Government. This amount would have to be repaid before your first day of reemployment.

## **HEALTH BENEFITS**

### **9. What will happen to my health benefits if I retire?**

If eligible, your health benefits coverage will continue into retirement.

### **10. What makes me eligible to continue health benefits coverage into retirement?**

In order to continue your health coverage into retirement, you must retire on an immediate annuity and have been enrolled or covered as a family member in the Federal Employee Health Benefits (FEHB) program (1) for the five years of service immediately preceding retirement; or (2) since your first opportunity to enroll. You will be entitled to the same health benefits with no change in cost.

### **11. What if I am not eligible to continue health benefits coverage into retirement?**

For FEHB only, the Office of Personnel Management will grant pre-approved waivers to employees who have been covered under the FEHB program since the beginning date of the OPM approved VERA or VSIP authority and retire during that period.

### **12. Who pays for my health benefits when I retire?**

You are responsible for payment of your share of the cost just as when you were an employee. If your annuity is insufficient to cover your premium, you may make premium payments directly to the Office of Personnel Management.

### **13. Can I change from one plan to another after I retire?**

As a retiree, you can switch health plans during open season periods.

**14. Can I cancel my health benefits enrollment when I retire?**

Yes, you can cancel your FEHB enrollment at any time. But remember, once you do, you cannot re-enroll in the FEHB program.

**15. Will I be able to continue the FEHB premium conversion option after I retire?**

Based on current law, Federal annuitants whose FEHB premiums are deducted from annuities are not eligible to participate in the FEHB premium conversion option.

**LIFE INSURANCE**

**16. What will happen to my life insurance?**

If eligible, your life insurance coverage will continue into retirement.

**17. What makes me eligible to continue my life insurance into retirement?**

In order to continue your Federal Employee's Group Life Insurance (FEGLI) coverage into retirement, you must retire with an immediate annuity, and have been enrolled in FEGLI (1) for the five years of service immediately preceding retirement; or (2) since your first opportunity to enroll. However, any Accidental Death and Dismemberment coverage will not continue into retirement.

**18. If I do not meet the criteria specified above, can I convert my coverage to an individual policy?**

Yes. To convert to an individual policy, you will have to follow the instructions provided in the **SF-2819, Notice of Conversion Privilege**, which is automatically provided to you upon retirement.

**19. I filed a Designation of Beneficiary Form (SF-2823) with the Human Resources Division. Will my designation remain valid after I retire?**

Yes. Your current designation will remain valid until you change or cancel it. Changes or cancellations after you retire must be filed with the Office of Personnel Management.

**LEAVE**

**20. What will happen to my annual leave if I retire?**

You will receive a lump sum payment for all accumulated annual leave, including any restored or unused leave earned this year. This lump sum leave payment will be issued as a separate check and is generally received a few weeks after you receive the last pay check. This timeframe could be later if you have a leave discrepancy or an outstanding debt to the Government, or if the action occurs during a pay period in which there are an unusually large number of personnel actions.

## **21. What will happen to my compensatory time and/or credit time?**

You will be paid for your accumulated compensatory time at the overtime rate of pay at which it was earned. You will be paid for you credit time hours at your current rate of pay.

## **22. If I owe advanced sick or annual leave, how will this be handled?**

If you are indebted for advanced sick or annual leave, you are liable for these amounts. USDA will collect the amount of indebtedness from any funds due to you.

## **THRIFT SAVINGS**

## **23. What are my TSP withdrawal options when I separate from Federal service?**

The TSP provides several ways to withdraw your account.

- You can make a partial withdrawal of your account in a single payment.
- You can make a full withdrawal of your account by one, or any combination of the following methods:
  - a single payment
  - a series of monthly payments
  - a life annuity

A combination of any of the above three (3) full withdrawal options is called a “mixed withdrawal.

## **24. How do the rights of my spouse affect my withdrawal choice?**

If you are a married FERS participant making a **partial withdrawal**, your spouse must consent to your withdrawal. If you are a married CSRS participant, the TSP must notify your spouse of the partial withdrawal.

If you are a married participant making a **full withdrawal**, your spouses’ rights will apply to your withdrawal choice only if your account balance is more than \$3,500.

If you are a married FERS participant, your spouse has the right to a joint and survivor annuity with a 50 percent survivor benefit, level payments, and no cash refund feature, unless your spouse waives his or her right to that annuity. If you are a married CSRS participant, the TSP must notify your spouse of any full withdrawal election.

### **Can I change my withdrawal after I receive it?**

No. Once our withdrawal is processed, you cannot return it or change the withdrawal option. However, if you elected to receive all or a portion of your account in a series of monthly payments, you can change your election to a final single payment or change where your payments are being sent.



## **25. How long can I leave my money in the TSP?**

If you do not want to withdraw your account when you leave Federal service, you can leave your entire account balance in the TSP. However, you must withdraw your entire balance (or begin receiving monthly payments from the TSP or from the TSP annuity vendor) by April 1 of the year following the year you turn 70 ½ (or following the year you separate, if you are already over age 70 ½ when you leave Federal service).

## **FILING AN APPLICATION FOR RETIREMENT**

### **26. Where can I get a retirement application?**

You may obtain an application by contacting **Lisa Carroll on 202-720-4292**. Lisa can be reached through e-mail at [Carlecia.carroll@ars.usda.gov](mailto:Carlecia.carroll@ars.usda.gov).

### **27. How do I submit my decision application for the VSIP/VERA and Retirement?**

The application to select optional retirement with a VSIP or early retirement with or without a VSIP must be faxed or hand-carried to Shelley Pree at the George Washington Carver Center, Room 3-1270, beginning on December 1 through December 14, 2009. The first 100 decision applications received by the Human Resources Division from eligible employees will be considered for the VSIP. This form will be date stamped upon receipt.

**\*\* Note Ms. Pree and a team of staff will be available in Room 107A from 8:00 a.m. through noon on Tuesday, December 1, in order to accept election forms.**

You must provide the retirement application forms to Lisa Carroll. Ms. Carroll can be reached at 202-720-4292 or through e-mail at [Carlecia.carroll@ars.usda.gov](mailto:Carlecia.carroll@ars.usda.gov). Ms. Carroll is also available to provide retirement counseling.

### **28. When will my retirement annuity begin?**

Your annuity will begin the day after you separate. It usually takes approximately **30 to 60 days** to receive your first annuity payment.

## **FLEXIBLE SPENDING ACCOUNTS**

### **29. Will I be eligible for a Flexible Spending Account (FSA) into retirement?**

By law, annuitants cannot participate in FSAs. The FSAs are a way of setting aside pre-tax salary for payment of eligible expenses. Annuitants receive annuities, which are not salary.

## **LONG-TERM CARE (FLTCIP)**

### **30. I am retiring and am already enrolled in this Program. Will my premiums change because I'm retiring?**

No. Premiums are the same for all purchasers of the same coverage at the same age. Premiums do not increase just because you're retiring. If you are retiring under CSRS or FERS, premiums for FLTCIP cannot be deducted from your annuity while you are receiving "interim payments" (sometimes called "special pay"). This means that until OPM finalizes your annuity, Long Term Care Partners must bill you directly for the premiums due. Once your annuity is finalized, Long Term Care Partners can begin to deduct premiums from your annuity. Annuity deductions are not adjusted to "catch up" uncollected premiums, so it's important for you to pay the direct bills promptly when you receive them to keep your FLTCIP coverage current.

To report your retirement, please call the Customer Service Center at Long Term Care Partners at 1-800-LTC-FEDS (1-800-582-3337) (TTY 1-800-843-3557).