



U.S. Army Medical Command
FY22 VERA/VSIP/VSIP II
Procedural Guidance
1 October 2021



1. General Information.

a. The Assistant Secretary of the Army (Manpower and Reserve Affairs) delegated to the U.S. Army Medical Command (MEDCOM) the authority to approve Voluntary Early Retirement Authority (VERA), Voluntary Separation Incentive Pay (VSIP) and VSIP II as discretionary tools to reshape the organization to meet current and/or future critical mission requirements. The buyout incentives are intended to mitigate the adverse impact of reductions in force (RIF) resulting from ongoing MEDCOM, Army and Department of Defense (DoD) directed workforce reshaping initiatives.

b. All MEDCOM civilian employees, GS-15 and below (or equivalent), including Wage Grade and Non-Appropriated Fund (NAF) employees who meet eligibility requirements, may apply and participate in this program. Employees will not be coerced to retire, resign, or apply for these buyouts under any circumstances.

c. Workforce reshaping programs are management tools, not employee entitlements.

(1) Voluntary separation incentives may be used to downsize or restructure the civilian workforce and to create vacancies for the placement of employees impacted by RIF.

(2) Downsizing incentives may be offered at any location where the acceptance of an incentive avoids civilian involuntary separations.

(3) Restructuring may be used in situations where there is a valid need to modify the major duties, occupational series, and/or grade of a position or multiple positions, to meet future mission requirements. Workforce restructure incentives may be offered to correct skills imbalances or to convert a non-supervisory position to supervisory, or to reduce supervisory positions. Position restructuring is restricted to the vacancy created by the applicant of the buyout. The resulting vacancy may result in a lower or higher grade/pay band, or different dominant position duties, occupational specialty, or supervisory status. Commands, in consultation with their servicing CPAC, should ensure that newly restructured positions fit appropriately within the organizational structure. Restructured positions are expected to be filled within 12 months of the incentive/separation action being processed, unless there is a valid reason for delay such as a hiring freeze (which should be documented). For any positions that were restructured, a copy of the SF50 of newly recruited employee(s), to show the restructured position(s) were filled within 12 months; and copy of subsequent TDA, or at a minimum, a copy of the approved documentation showing the restructures have been submitted for TDA update in accordance with approved VERA and/or VSIP must be submitted to HQs MEDCOM, MCHR-C.



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d. Effective 1 Oct 21, MEDCOM opens the FY22 VERA/VSIP/VSIP II buyout incentives application window through 31 Aug 22. MEDCOM will accept VERA/VSIP applications submitted from subordinate Activities below the Regional Health Command level only when the applicant is assigned to a position identified for abolishment and the Activity has submitted a formal request to conduct a Reduction-in-Force to MEDCOM. The Director, Civilian Human Resources Directorate, G-1/4/6, MEDCOM, is granted the authority to return without action applications from subordinate Activities below the Regional Health Command level that do not meet this criteria.

(1) Applicants approved for buyout incentives may elect to retire any time, but no later than 30 Sep 22.

(2) Commanders/Activity Heads and the MEDCOM OneStaff Business Office may establish internal submission suspense dates prior to the 31 Aug 22 window closure date to ensure applications are processed in a timely manner. The establishment of separate or shorter application windows is not authorized.

(3) Applications received after 31 Aug 22 will not be accepted.

e. Employees impacted by MEDCOM, Army or DoD directed reorganization and restructure initiatives should be Commanders' first consideration for VERA/VSIP/VSIP II buyouts.

f. The FY22 buyout incentive amount is \$40,000, *or* the amount an employee would be entitled to under the severance pay formula, *whichever is less*. The amount of separation incentive is not negotiable. A Severance Pay Calculation Form to make this determination is provided (Attachment 3).

g. Employees may elect to receive the separation incentive in lump sum or installment payments, and must indicate their election on the application form.

2. Eligibility Criteria.

a. Appropriated and Nonappropriated Fund employees are eligible for a VSIP incentive if they:

- (1) Are U.S. citizens as defined in 5 United States Code, section 5597;
- (2) Are eligible for optional retirement, voluntary early retirement, or resignation;
- (3) Are serving in an appointment without time limitation; and



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(4) Have been continuously employed by DoD for a period of at least 12 months immediately preceding the effective date of separation.

b. Employees are ineligible for a VSIP incentive if they are:

- (1) A Reemployed annuitant.
- (2) On a Schedule "C" Excepted appointment.
- (3) A non-compensated employee.
- (4) Have accepted a position with another federal agency.

(5) Are or would be eligible for disability retirement under any Federal employee retirement system.

(6) Received a decision notice of involuntary separation for misconduct or unsatisfactory performance.

(7) Declined to relocate with his or her position or declined a transfer of function.

(8) Have received a specific notice of RIF separation.

(9) Have previously received a separation incentive payment.

c. Absent a waiver, employees are ineligible for a buyout if they are;

(1) Working under a written service agreement such as, but not necessarily limited to those required in conjunction with a permanent change of station, training, student loan repayments, critical acquisition positions, or recruitment or relocation incentive;

(2) Receiving a retention incentive.

(3) Receiving a special salary rate; or

(4) Occupying a position defined as "hard to fill."

d. To be eligible for VERA, an employee who is not eligible for optional retirement:

(1) Must be at least 50 years of age and have completed 20 years of creditable service, or be any age with at least 25 years of creditable service;

(2) Must be employed by DoD for more than 30 days before the effective date of the open window;



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(3) Must not be serving in a time-limited appointment;

(4) Must not have received a decision on involuntary separation for misconduct or unsatisfactory performance; and

(5) Must not be retiring as a result of declining a transfer of function, directed reassignment, or other management-directed-reassignment outside the commuting area.

3. Voluntary Separation Incentive Pay Phase II (VSIP II).

a. General.

(1) VSIP II is designed to expand the use of VSIP buyout incentives beyond the boundaries of the impacted activities and across MEDCOM and Army command lines to mitigate the adverse effect of RIF. This program allows managers at non-impacted (non-downsizing) activities to offer the benefit of the VSIP buyout incentives and early retirement to their employees to create vacancies for RIF impacted employees who register in the MEDCOM Placement Program (MP2) for reassignment consideration within MEDCOM and/or the DoD Priority Placement Program (PPP) for reassignment consideration outside the MEDCOM within the commuting area.

(2) Within MEDCOM, VSIP II will first utilize MP2 registered impacted employees to fill positions vacated by the non-impacted VSIP applicants and then DoD PPP Priority 1 registrants from activities/commands outside of MEDCOM.

(3) While the vacancy created by the non-impacted VSIP applicant must be used to place eligible MP2 registered impacted employees that meet the minimum Office of Personnel Management qualifications first and then DoD PPP Priority 1 registrants, it may also be restructured (see paragraph 1d(3) above). This allows management to restructure the position to match the occupational series, grade and skill sets of the impacted employees being reassigned to the vacated position based on mission requirements.

(4) The Activity Civilian Human Resources Office (CHRO) will provide MP2 registration procedures and guidance.

(5) The Activity CHRO must match the positions of the non-impacted applicant with eligible MP2 registrants impacted by RIF.

(6) The Activity CHRO must clear MP2 for a possible match. Restructure to match an MP2 registrant is highly encouraged. The impacted employee will be reassigned to



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the position vacated by the VSIP II applicant and the impacted employee's position will be abolished.

(7) Use of VSIP II is not authorized when the impacted employee declines a job.

b. Procedures.

(1) In accordance with the authority in DoDI 1400.25 Volume 1702, Voluntary Separation Programs, the Commander of the non-impacted Activity determines when and to what extent their Activity will participate as potential gaining activities with the understanding that VSIP II is beneficial to MEDCOM as a means of retaining skilled employees and eliminating or reducing the need for involuntary separations because of RIF. Although prospective gaining activities are not obligated to participate, as a matter of DoD policy, MEDCOM Commanders at non-impacted activities will actively canvass their workforce for potential VSIP II applicants who are willing to take a VSIP buyout to create a vacancy for a MEDCOM impacted employee in the same commuting area who is registered in MP2.

(2) MEDCOM Commanders of impacted activities will actively encourage their impacted employees to voluntarily register in MP2 and/or PPP to ensure their eligibility to participate in VSIP II and placement into a position vacated by a VSIP II applicant in a non-impacted MEDCOM Activity within the same commuting area to maximize placement opportunities for employees facing RIF separation. Impacted employees not registered in MP2 or PPP are not eligible for VSIP II reassignment consideration.

(3) To determine whether there are potential VSIP II matches for their employees, Activity/Major Subordinate Command/Field Operating Activity Civilian Human Resources (CHR) Representatives should monitor the availability of eligible MP2 registrants by regularly reviewing the MP2 registrant list. This listing shows the number of available MP2 registrants by occupational series and grade. Non-impacted employees whose series and grades match those on the MP2 registrant list are potential VSIP II applicants provided they meet the basic eligibility requirements in paragraph 2 above. They should be canvassed to determine whether they are interested in applying for VSIP II to create vacancies for MEDCOM impacted employees that are registered in MP2 and/or PPP who would otherwise be involuntarily separated through RIF.

(4) Activity CHR Representatives should coordinate with their servicing Civilian Personnel Advisory Center (CPAC) to have a PPP requisition submitted to match the position of the canvass non-impacted applicant for VSIP II with the eligible MP2 registrant. An exact match of skills, series and grade would be ideal, but not required when filling positions vacated by non-impacted VSIP II applicant. If the gaining activity intends to fill the vacated position at a grade or series that matches the MP2 registrant



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and not the VSIP II applicant, coordinate this with the servicing CPAC and indicate these changes on the VSIP II application. This flexibility allows activities to correct skills imbalances and avoid involuntary separations within MEDCOM.

(5) Within MEDCOM, VSIP II will first be used to ensure all MEDCOM impacted employees are afforded the opportunity for placement into a position vacated by a non-impacted MEDCOM employee and the command mitigates the adverse effect of involuntary separation under RIF. The VSIP II application will identify the MEDCOM impacted employee who will fill the position vacated by the VSIP II applicant from the MP2 registrant list. Once approved, coordinate the reassignment with the servicing CPAC.

(6) If a MP2/PPP registrant accepts and subsequently declines a job offer after a reporting date has been established, the commitment to the VSIP applicant is still binding. In this case, withdrawal of the application shall be permitted, if requested. If the applicant does not withdraw the application, the position shall be offered to another MP2/PPP Priority 1 registrant.

(7) For employees receiving VSIP, the effective date of the personnel action may be any date agreed to but NLT 30 Sep 22.

c. Employees accepting a buyout must sign a statement on a VSIP agreement (DD Forms 2903-1, 2903-2 or 2903-3) confirming the voluntary nature of the action and indicating an understanding of the reemployment restrictions resulting from acceptance of the buyout. The agreement must indicate that the request for personnel action is irrevocable and identify the payment terms of the incentive (i.e., lump sum payment or installments).

d. The vacancy created by the payment of the incentive must first be considered for placement of eligible MP2 registrant impacted by RIF and then PPP Priority 1 registrants.

4. Requirement for Retirement Eligibility.

a. The Civil Service Retirement System (CSRS) covers employees hired before 1 January 1984. The Federal Employees Retirement System (FERS) covers employees hired after 1 January 1984 and employees who transferred from CSRS.

b. Employees must meet the appropriate eligibility requirements by the proposed effective date of their retirement. For additional information on retirement eligibility, visit the Army Benefits Center-Civilian (ABC-C) at <https://abc.chra.army.mil/abc/>, or call 1-877-ARMY CTR (1-877-276-9287) or 1-877 ARMY TDD (1-877-276-9833) or usarmy.riley.chra-hqs.mbx.abc-c-tdd@mail.mil for the hearing impaired.



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c. CSRS age and creditable service eligibility requirement for Optional Retirement.

- (1) Age 62 with 5 years of creditable service.
- (2) Age 60 with 20 years of creditable service.
- (3) Age 55 with 30 years of creditable service.

d. FERS age and creditable service eligibility requirements for Optional Retirement.

- (1) Age 62 with 5 years of creditable service.
- (2) Age 60 with 20 years of creditable service.
- (3) Minimum retirement age (MRA) with 30 years of creditable service. MRA varies by year of birth (see MRA table below).
- (4) MRA with between 10 and 29 years of creditable service-reduced benefit. MRA varies by year of birth. (5-percent annuity reduction for each year under age 62).

e. For CSRS, if an employee retires before age 55 (unless the employee retires for disability or under the special provisions for law enforcement officers, air traffic controllers, and firefighters), annuity decreases by one-sixth of 1 percent for each full month between separation and attaining age 55 (2 percent a year).

f. FERS retirees under age 55 face no deduction unless a portion of the employee's time was spent in CSRS. When that occurs, the annuity decreases 2 percent a year for each year the employee was in CSRS.

MRA Table

If you were born	Your MRA is
Before 1948	55
In 1948	55 and 2 months
In 1949	55 and 4 months
In 1950	55 and 6 months
In 1951	55 and 8 months
In 1952	55 and 10 months
In 1953 through 1964	56
In 1965	56 and 2 months
In 1966	56 and 4 months
In 1967	56 and 6 months



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In 1968	56 and 8 months
In 1969	56 and 10 months
In 1970 and after	57

5. Restrictions on Reemployment. When an employee accepts a buyout, the following restrictions apply to reemployment within the Federal Government:

a. An employee receiving a buyout incentive who accepts employment with the Federal Government (including employment in Nonappropriated Fund instrumentalities or with an agency through a personal service contract) within 5 years after the date of separation on which the buyout incentive is based must repay DoD the entire amount of the buyout incentive (gross amount before taxes and deductions).

b. An employee who receives a buyout incentive may not be reemployed by DoD in any capacity for a 12-month period beginning the effective date of the employee's separation. The Secretary of Defense may approve exceptions on a case-by-case basis.

c. An employee approved for payment of a buyout incentive is prohibited from registering in the DoD PPP.

6. General Provisions and Processing Procedures.

a. Employees must first contact their immediate supervisor/manager or Activity Commander to determine if their position is being considered for downsizing or restructure, and whether it is as a result of a MEDCOM or Army directed restructure/reorganization initiative, or a local initiative.

b. Supervisors will coordinate the submission of the VERA/VSIP/VSIP II application with the Activity CHRO. The Activity CHRO will review the application to ensure it is properly documented and process the application through command channels to MEDCOM CHRDR. Applications will be submitted as individual requests via email (one application per email). Batching of applications is not authorized.

c. MEDCOM CHRDR processes applications in the order received. Veteran's preference and tenure are not factors in the approval process. Incomplete applications will be returned to the Activity for correction and resubmission. Applications must contain the following, complete and accurate, documentation:

- (1) VERA/VSIP/VSIP II Application Form (Attachment 1).



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(2) Waivers required by paragraph 2c above must be fully justified at the end of the application form.

(3) FY22 Civilian Downsizing/Restructure Plan (Attachment 2)

(4) Severance Pay Calculation Form (Attachment 3)

(5) Copy of SF50s with current salary and 3Rs incentive data.

(6) Copy of page from the latest FY22 Table of Distribution and Allowances (TDA) with the applicant's position information (para/Line, grade, series, title, etc.).

(7) Copy of page from the latest TDA with the impacted employees' position information (para/Line, grade, series, etc.) for VSIP II applications (See VSIP II guidance).

d. Employees approved for downsizing or restructuring buyout incentives may coordinate their retirement date with management, but must separate from Federal Service NLT 30 Sep 2022. Extensions are not authorized and will not be considered.

e. Employees who are separating on optional or voluntary early retirement should submit all completed retirement forms, including updated beneficiary designation forms, to ABC-C upon receipt of official approval notification, but NLT 30 days from the anticipated date of retirement. Applicants are encouraged to request a retirement estimate as soon as they decide to apply for a buyout incentive. The application must include the retirement effective date and completed forms should be sent to ABC-C.

f. Employees who are resigning should contact their Activity CHRO to initiate the appropriate resignation documentation upon receipt of official approval notification.

g. The Activity CHRO will ensure employees who accept an incentive sign a VSIP agreement confirming the voluntary nature of the action and indicating an understanding of the reemployment restrictions resulting from acceptance of the incentive. The agreement must indicate that the request for personnel action is irrevocable and include the payment terms of the incentive (i.e., lump-sum or installment payments).

h. Commanders/Activity Heads have the authority to deny VERA/VSIP/VSIP II applications if they determine that approval does not serve the best interests of the government.

i. Activities must submit applications through normal command channels to MEDCOM CHRD via email NLT 31 Aug 22.



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7. Accountability and Recordkeeping: Commands will ensure required documentation, including all material relied upon, is retained for the periods required by applicable record disposition requirements in the event of third-party audit or reporting requirements.

Attachments:

1. U.S. Army Medical Command FY22 VERA/VSIP/VSIP II Application Form
2. FY22 Civilian Downsizing/Restructure Plan
3. Severance Pay Calculation Form