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1. The Purpose of VSIP

The Voluntary Separation Incentive Payment (VSIP or buyout) Authority allows 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 separate. Under VSIP, agencies may pay 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 to accept VSIP by resignation, optional retirement, or by voluntary early retirement, if authorized.

VSIPs are an option for increasing voluntary attrition in agencies that are downsizing or restructuring. Besides providing an incentive for employees to voluntarily retire or resign to avoid potential reduction in force actions, the agency may also offer VSIP to employees in safe positions that could then provide placement opportunities for employees holding surplus positions.

In its request to the Office of Personnel Management (OPM) for VSIP approval, the agency should clearly outline how VSIP would assist the agency in reaching its restructuring or downsizing goals. At all stages of developing an individual VSIP plan or a combined VSIP/VERA (Voluntary Early Retirement Authority) plan, the agency must always consider whether a sudden increase in attrition will compromise the agency’s:

(1) Ability to effectively carry out its mission; and/or,

(2) Available fiscal resources.

2. Statutory Basis for VSIP Regulations

Section 1313(b) of the Chief Human Capital Officers Act of 2002 (Public Law 107-296, approved November 25, 2002) authorized the VSIP option under regulations issued by OPM, as codified in sections 3521 to 3525 of title 5, United States Code (U.S.C.).

3. VSIP Regulations

OPM implements the statutory VSIP requirements through regulations in part 576 of title 5, Code of Federal Regulations.

- The National Archives and Records Administration (NARA) provides a copy of current VSIP regulations at http://www.ecfr.gov.

4. VSIP Planning for Organizational Effectiveness

An agency may request VSIP from OPM, and has the discretion to make certain decisions concerning how and when to use an approved VSIP authority. Before requesting VSIP, the agency should consider how VSIP would assist the agency in reaching a specific goal in human capital planning. For example, when an agency (or an agency component) is undergoing substantial restructuring or downsizing, it may consider offering VSIP as a more cost-effective and less disruptive plan than involuntary actions such as reduction in force. A comprehensive strategic workforce plan that addresses current and future human capital needs will help the agency develop the data needed to submit a formal request for VSIP authority.

The agency’s plan to use the VSIP option should reflect management decisions such as whether the agency will:

1. Modify the structure of its components (e.g., consolidate field locations, merge line programs into smaller organizations, open field locations closer to agency customers);

2. Modify the span of control (e.g., eliminate existing layers of supervision, delegate additional program and administrative authority to lower level managers);

3. Exclude certain positions or organizations from the VSIP option to maintain organizational effectiveness (e.g., the agency would have difficulty replacing employees in certain lines of work, components, and/or geographic locations);

4. Use vacancies that become available because of VSIP retirements or resignations as placement opportunities for employees in surplus positions;

5. Offer VSIPs to all or only some of its excess employees (e.g., how many VSIP offers are possible under the agency’s budget); and,

6. Offer VSIPs only for certain periods of the fiscal year (e.g., the agency can maximize savings if employees separate for a VSIP earlier rather than later in the fiscal year).

• Additional Fiscal Issues When Planning for VSIP
An agency may pay a VSIP only from appropriations or funds available for the basic pay of the employee who separates for the incentive [5 U.S.C. 3523(b)(7)].

The one-time VSIP financial costs are particularly critical if the agency plans to offer VSIPs to employees with obsolete skills, and then restaff the positions with employees who have skills currently needed by the agency. For example, in a downsizing situation, the agency can readily achieve savings from the VSIPs in the present or the next fiscal year if the agency has a net reduction of a position because of the VSIP. In contrast, a reshaping situation generally provides no savings when the agency replaces an employee with obsolete skills who received a VSIP by the appointment of another employee with different skills. Because the agency has no net reduction in the workforce, the agency must plan for the same level of continuing salary expenses in addition to the cost of the VSIP for employees who retired or resigned.

When planning for VSIP, the agency should use a collaborative approach involving agency management, Human Resources, and Finance. The agency's decision-makers must be closely involved in all phases of plans to offer VSIPs, particularly in reshaping situations.

5. Preparing for VSIP

An agency should begin planning for VSIP as soon as it appears likely that the organizational changes the agency needs to make cannot be accomplished by lesser measures (e.g., hiring freeze, normal attrition, reassignments). Early planning will ensure that the VSIP authority is available in time for both the agency and its employees to make the most effective use of the option. At the activity or subagency level, the organization should recognize that some lead time is required to develop the data to support the VSIP request, to submit the request to the agency headquarters, and then for the headquarters to formally request OPM approval of the VSIP. At each level, the activity may be asked to clarify the VSIP request, or develop additional data to support the request.

Also, to ensure that there are no agency delays in planning for VSIP offers, agency with bargaining unit employees should review existing labor agreement(s) and consider whether it has any collective bargaining obligations. The agency should follow any applicable procedures contained in the labor agreement. If, however, an agency finds it has bargaining obligations, it should plan for early negotiations.

In addition, to maximize the benefit of VSIP, the agency should allow sufficient time for important decisions such as developing activity or subagency policy on the coverage and application of the authority, preparing the human resources staff, counseling employees, holding retirement seminars, computing annuities for those considering retirement, etc. VSIP often results in an additional major workload for
an agency’s human resources staff. For example, the agency must inform eligible employees of the VSIP opportunity. The agency must also advise interested employees on the amount of their incentive payment, their annuity and related issues. This process requires additional time and staff when eligible employees are widely dispersed and/or do not have access to a local human resources office.

Once OPM receives an agency’s VSIP request, OPM reviews the package to verify that the request is consistent with the controlling statutory and regulatory requirements.

While the VSIP request is pending approval at higher levels of the agency or at OPM, the agency should continue planning how it will use its VSIP authority. The agency should also monitor whether any of the assumptions that serve as the basis for the VSIP request have changed.

6. Competitive Sourcing Situations

An agency that is undergoing a competitive sourcing study and anticipates the need for restructuring or workforce reduction to implement the outcome of the study (e.g., contracting out or establishing a Most Efficient Organization), may initiate a request for VSIP authority before the study is completed. Because of the detailed requirements related to a competitive sourcing study and the need for strict confidentiality in the process, it is difficult for the agency to forecast either the outcome of the study or the effects of the study on the agency’s workforce. As a result, an agency may not be able to furnish the kind of specific data about the positions for which they wish to offer VSIP. In this situation, the agency should submit a request to OPM projecting possible outcomes, presenting “if-then” scenarios for either (1) retaining the function; or (2) contracting out. OPM may provide the agency with contingent approval for the VSIP option (i.e., the agency’s need for VSIP would be subject to the outcome of the competitive sourcing study).

Before extending VSIP offers to employees, the agency must notify OPM of the outcome of the competitions. If the competitive sourcing decision will result in the agency contracting the function, OPM will authorize immediate use of the VSIP. If the competitive sourcing decision is to retain the function in the agency, the agency must provide OPM with updated information to support the VSIP.

Contingent approval benefits agencies because it:

(1) Provides for early review of the agency’s VSIP request by OPM and OMB;

(2) Enables both the agency and OPM to respond quickly to a decision on the agency’s VSIP request when the competitive sourcing study is completed;

(3) Helps the agency retain skilled workers and maintain productivity in a competitive sourcing situation; and
(4) Allows the agency to demonstrate positive efforts to assist employees who may be negatively affected by the results of the competitive sourcing study.

7. Agency VSIP Decisions

An agency may:

(1) Request VSIP authority from OPM;

(2) Decide whether to use an approved VSIP authority;

(3) Decide which employees are covered by VSIP;

(4) Establish the VSIP window;

(5) Determine the number of employees who may separate with a VSIP; and

(6) Determine the maximum amount to be paid for each VSIP (with a cap of $25,000).

8. VSIP Request From Agency Headquarters

An agency’s request to OPM for VSIP must be signed by:

(1) The head of the agency; or

(2) A specific designee (i.e., a senior officer or official within an agency who has been specifically designated to sign requests for VSIP under a designation from the head of the agency).

The agency should send its VSIP request to OPM at:

Deputy Associate Director
Recruitment and Hiring
U.S. Office of Personnel Management
1900 E Street, NW
Room 6500
Washington, DC 20415

To expedite processing of the VSIP, the agency may email or fax its VSIP request to 202-606-4430.
For additional guidance on VSIP, the agency should contact OPM’s Recruitment and Hiring (202-606-0203).

For more information, refer to the checklist for VSIP requests in Section 29.

9. Information in VSIP Request to OPM

The agency may submit either a specific VSIP implementation plan outlining the intended use of the incentive payments, or the agency’s human capital plan, which outlines the intended use of VSIPs. The request to OPM for VSIP authority must contain the following information:

(1) Identification of the specific positions and functions to be reduced or eliminated, identified by organizational unit, geographic location, occupational series, grade level and any other factors related to the position;

(2) A description of the categories of employees who will be offered VSIP, identified by organizational unit, geographic location, occupational series, grade level, and any other factors, such as skills, knowledge, or retirement eligibility;

- Although the category listing should be general in nature, it should not be difficult to determine all of the categories of employees who will be offered VSIP, and the geographic location(s) where each category will be offered VSIP. For example: Do say “We plan to offer VSIP to auditors and accounting technicians in Des Moines, IA; accounting technicians in Dallas, TX; and auditors, accounting technicians and payroll clerks in Orlando, FL.” Do not say “We plan to offer VSIP to auditors, accounting technicians, and payroll clerks in Des Moines, IA, Dallas, TX, and Orlando, FL.”

- When considering ‘retirement eligibility’ to determine the categories of employees who will be offered VSIP, agencies are advised to ensure they are in compliance with the Age Discrimination in Employment Act of 1967 (ADEA), as amended.

(3) The time period during which incentives may be paid;

- The request should include a narrative of the time period during which VSIP will be offered and the date by which employees accepting VSIP should be off the rolls. The agency should identify factors that might cause delays or complications. The agency should provide an explanation for the length of the time period required.
10. Basis for OPM Approval of VSIP Request

OPM will conduct a review of the agency request in the context of the agency’s human capital or VSIP implementation plan and goals, and ensure that all necessary information is included to evaluate the need.
OPM will consult with the Office of Management and Budget regarding the plan and subsequent modifications to the plan, and may consider the costs and benefits associated with using the authority. If there are questions concerning the agency’s plan, OPM may contact the agency, inform agency staff of its concerns, and ask the agency to submit additional information to support its request or revise the plan to comply with VSIP regulations.

Before OPM will approve a new VSIP authority for an agency, the agency must forward any outstanding reports (generally, a copy of the most recent quarterly report) on the use of any previously approved VSIP authorities, as required under the original authority.

OPM will notify the agency once the VSIP authority is approved and will fax a signed copy of the response to the contact person listed on the request immediately upon approval. To ensure a prompt response from OPM, it is critical that the VSIP request include the name, title, telephone number, and fax number of an agency contact person.

11. Maximum Time Period for VSIP Option

OPM may approve an agency’s VSIP request to be effective through either:

(1) The entire period of the agency’s restructuring period as detailed in the VSIP implementation plan; or

(2) The initial portion of the period covered in the VSIP implementation plan, with a requirement for subsequent information and justification if the period covers multiple years.

12. General Eligibility for VSIP

To be eligible to separate with a VSIP, an employee must:

(1) Be serving under an appointment without time limitation;

(2) Be currently employed by the Executive Branch of the Federal Government for a continuous period of at least 3 years;

(3) Be serving in a position covered by an agency VSIP offer as described above;
(4) Apply for and receive approval for a VSIP from the agency making the VSIP offer; and

(5) Not be included in any of the ineligibility categories listed in Section 13 below.

13. Ineligibility for VSIP

Employees in the following categories are not eligible for VSIP:

Employees who:

(1) Are reemployed annuitants;

(2) Have a disability such that the individual is or would be eligible for disability retirement;

(3) Are in receipt of a decision notice of involuntary separation for misconduct or unacceptable performance;

(4) Previously received any VSIP from the Federal Government;

(5) 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;

(6) During the 24-month period preceding the date of separation, performed service for which a recruitment or relocation bonus was paid, or is to be paid; or

(7) During the 12-month period preceding the date of separation, performed service for which a retention bonus was paid, or is to be paid. (This applies to General Schedule employees only.)

14. Employees on Active Duty in the Armed Forces

Chapter 43 of title 38, United States Code, requires that agencies treat employees on military duty, for all practical purposes, as though they were still on the job. Further, employees are not to be disadvantaged because of their military service. An employee on active duty in the Armed Forces who would otherwise be eligible for a VSIP offer will have 30 days following restoration to the agency to accept or reject the agency’s offer of VSIP.
• The restored employee has the right to accept or reject the agency’s offer of VSIP, even if the authority approved by OPM has expired.

15. Employees on Leave without Pay, Workers’ Compensation, Details, etc.

Agencies must inform employees on leave without pay, workers’ compensation, details outside the agency, etc., of VSIP offers that would cover them.

16. Employees with Service Agreements

Common service agreements cover an employee’s obligation to perform service with the agency for a specific period of time following training, relocation, or similar situations. An agency should request an interpretation from its legal staff before deciding whether to release from a service agreement an employee who is interested in separating for a VSIP.

17. Implementing the VSIP Plan

• Organizational Basis for VSIP Offers

After the agency has received authority from OPM to offer VSIP [whether throughout the entire agency or for specific organizational unit(s)], the agency shall further limit the availability of the VSIP based on:

(1) One or more organizational unit(s);
(2) One or more occupational series or grade(s);
(3) One or more geographic area(s);
(4) Skill, knowledge, or other factors related to a position;
(5) Specific time periods during which eligible employees may elect to accept a VSIP offer; or
(6) Any combination of the factors listed above.

An agency cannot expand voluntary separation incentive offers beyond the scope of the authority approved by OPM.
• **Selecting Employees for VSIP**

A VSIP is not an entitlement for an employee who is potentially eligible for a VSIP. For situations where the agency may need to limit the number of employees who are approved for VSIP, the agency should have an impartial formal procedure to make these decisions.

The agency should finalize its selection procedures before accepting applications from employees for VSIP separations.

For consistency, the agency may also decide to use the same procedure to determine which employees will separate under a Voluntary Early Retirement Authority (VERA) when a VSIP is not offered.

Standard selection procedures may include (but are not limited to):

- Total creditable Federal civilian service;
- Total creditable Federal civilian service in the agency or in the organizational component offering the VSIP; or
- First-in, first-out (i.e., accepting the first applications received, up to an established limit).

The agency’s selection procedure should be clearly communicated to its employees in the notice announcing the VSIP plan.

• **Establishing “Windows”**

The agency has the right to establish ‘windows;’ that is, the time period(s) during which it will accept applications for VSIP and to set the time period(s) for employees to retire or resign for VSIP. The agency may open such windows at any time during which it has VSIP authority, provided that the agency includes the information in its VSIP plan to OPM, and OPM subsequently approves the plan after consultation with OMB.

Neither the controlling statute nor OPM’s implementing regulations defines a maximum or minimum time period for a VSIP window. The only restriction is that an employee may not separate for a VSIP past the ending date of the OPM-approved VSIP plan.

If the agency is also offering employees the option of retiring under a Voluntary Early Retirement Authority (VERA), the agency should coordinate the VSIP and VERA windows to maximize the effectiveness of both programs.
The agency has many potential options to implement effective VSIP windows for employees. Some examples include:

- In a budget driven situation, only offering VSIP early in the fiscal year to maximize net savings after including the cost of each VSIP;

- Establishing opening and closing dates which are announced to employees at the time of the initial offer;

- Receiving a specified number of applications for a VSIP, provided that, at the time of the initial offer, the agency notified employees that it retained the right to limit voluntary VSIP on that basis; or

- Extending the VSIP offer only to employees in specific organizational unit(s), occupational series or grade(s), geographic area(s), or employees in possession of certain knowledge or skills -- as long as the authority issued by OPM covers them.

Generally, the agency must notify employees whenever the parameters of a VSIP offer have changed.

- **Additional Considerations**

The agency may subsequently establish a revised closing date, or a revised number of VSIP applications, if management’s downsizing and/or reshaping needs change. If the agency issues a revised closing date, or a revised number of VSIP applications to be accepted, the revised date or number of applications must be announced to the same group of employees included in the original announcement. If the agency issues a new window with a new closing date, or a new instance of a specific number of VSIP applications to be accepted, the new window or number of applications may be announced to a different group of employees as long as they are covered by the approved VSIP authority.

After announcing a time period during which employees may apply for VSIP, the agency may terminate the offers before the closing date upon receipt of a previously specified number of VSIP applications — if the announcement indicated that a specified number of VSIP applications would be sought. If the offer did not discuss a specific number of applications the agency wished to receive, the specified window for receipt of applications should be observed unless conditions necessitate a reduction in or cancellation of the requirements for VSIP. The agency’s notice should also advise employees that, subject to changes in the situation on which the VSIP was based, the agency may need to further limit VSIP offers after such offers are announced.

Agencies are urged to consider the impact of the length, timing, and availability of VSIP offers on employee decisions to separate. For example, long-term availability or repeated offers may create an atmosphere in which employees
choose not to accept VSIP because they assume that another opportunity will be available—should they decide to wait. Brief offers which do not afford employees the opportunity to consider the impact of this major career decision may also minimize effectiveness. VSIPs are most effective when offers are definitive, brief (but of sufficient duration to allow employees to make proper decisions), and not likely to be repeated.

- Accepting Applications for VSIP

An agency must accept VSIP applications from all employees eligible under the OPM-approved plan.

The agency must limit the number of actual separations for a VSIP to no more than the number in the OPM-approved VSIP plan.

18. VSIP Offers Must Be Consistent With OPM-Approved Authority

An agency may offer VSIP only as authorized in the agency-specific authority approved by OPM.

- An agency may not offer or process VSIP actions beyond the expiration date stated in the VSIP plan approved by OPM.
- An agency may not offer VSIP to employees not covered in the VSIP Plan approved by OPM.

19. Computation of Payments

An agency computes a VSIP on the basis of the lesser of:

1. An amount equal to the amount of severance pay the employee would be entitled to receive, as computed under 5 U.S.C. 5595(c), without adjustment for any previous payment made; or

2. An amount determined by the agency head, not to exceed $25,000.

In counseling employees and providing VSIP estimates, the agency should stress that an employee who separates for a VSIP actually receives a net amount after mandatory withholding deductions, not the gross amount of the VSIP.
In counseling employees interested in voluntarily separating for a VSIP, the agency should advise employees that the agency may reduce the gross amount of the VSIP for certain outstanding employee debts, including any:

- Debt the employee owes to the agency;
- Commercial garnishment (including supplemental fees or court-ordered interest);
- Alimony covered by a court order; and/or
- Child support covered by a court order.

20. Waiver of Usual Participation Requirement to Continue Health Benefits into Retirement

Employees retiring in conjunction with a VSIP or VERA authority must have been covered under the FEHB Program either: (1) for the last 5 years of their Federal civilian service in order to continue such coverage in retirement, or (2) if less than 5 years, for all service since the employee was eligible for FEHB program benefits unless these requirements are waived.

OPM will grant pre-approved waivers to employees who meet (1), (2), or (3).

(1) Have been covered under the FEHB Program continuously since the beginning date of the agency's latest statutory VSIP authority, or OPM-approved VSIP or VERA authority;

- Retire during the statutory VSIP or OPM-approved VSIP/VERA period;
- Receive a VSIP.

(2) Take early optional retirement.

(3) Take discontinued service retirement based on an involuntary separation due to RIF, directed reassignment, reclassification to a lower grade, or abolition of position.

Employees who meet (1), (2), or (3) do not need to request a waiver. Instead, agencies must attach a statement to the employee's retirement application noting that the employee meets the requirements for a pre-approved waiver by OPM as set forth in OPM's specific instructions to the agency; refer to Benefits Administration Letter (BAL) 04-208, dated September 8, 2004. If the VSIP authority is based on a specific legal authority, the agency will need to provide an appropriate citation. Otherwise, the agency must provide the VSIP authority or
VERA approval number that OPM assigned to the agency, and include the beginning and ending dates of the agency's VSIP or VERA authority.

Some employees who retire during a VSIP or VERA period may not be eligible for a pre-approved waiver. These include employees who retire on a regular optional retirement but do not qualify for a VSIP. Employees who do not qualify for a pre-approved waiver may request a waiver on a case-by-case basis by writing to OPM and asking OPM to waive the participation requirement in their case. OPM may grant waivers to some of these employees; each case will be considered on its own merits, based on criteria that are applied to all other retiring employees as outlined in the FEHB Handbook in the section entitled Annuitants and Compensators.

BAL 04-208 explains OPM's policy on waivers of the usual participation requirements for employees who retire during a period during which their agency has statutory authority to offer VERA or VSIP. This is available from OPM's website at www.opm.gov.

21. Ensuring that VSIP Separations are Voluntary

The agency is responsible for ensuring that employees are not coerced into separation under VSIP, and for ensuring that the employee’s decision is not based on erroneous or misleading information.

When announcing an opportunity to separate with a VSIP, the agency should inform its employees that separation by retirement or resignation for a VSIP is a voluntary action by the employee. If the agency finds that an employee was coerced into separating, the agency has the responsibility to take appropriate corrective action. An employee who separates with a VSIP, but who believes that the separation was involuntary, may appeal the basis for the separation to the Merit Systems Protection Board.

An agency’s optional canvass letter to determine potential employee interest in a VSIP is not coercion, but is simply an accepted tool to help the agency meet its present and future staffing needs.

22. Processing VSIP Separations

The “Guide to Processing Personnel Actions” contains processing instructions for VSIP separations.
(1) For CSRS employees retiring with a VSIP under the VERA option, the Guide states that Authority Code “ZLM/P.L. 107-296, VERA No. and date” covers employees under the Civil Service Retirement System.

(2) For FERS employees retiring with a VSIP under the VERA option, the Guide states that Authority Code “USM/5USC Chapter 84 and AZM/OPM Office, VERA No. and date” covers employees under the Federal Employees Retirement System.

(3) For regular optional retirements, follow the instructions in Chapter 30 of the Guide.

(4) For resignations, see Chapter 31 of the Guide.

The Guide states that the agency may use blocks 6A through D of the same Standard Form 50 to record receipt of the VSIP using Nature of Action “825/Separation Incentive” and Authority Code “ZAA/P.L. 107-296” to record the employee’s receipt of the VSIP.

23. Establishing Effective Dates

An agency may establish “off the rolls” dates for VSIP recipients. Separation dates must occur within the time period during which the agency has an OPM-approved VSIP authority, as identified in the agency’s approval letter.

24. Agencies with Statutory VSIP Authority

Agencies exercising VSIP authority in effect on January 24, 2003, may continue to offer VSIP consistent with that authority until it expires. An agency that is eligible to offer VSIP under the authority described in this Guide and under any other statutory authority may choose which authority it wishes to use, or offer VSIP under both.

25. Waiver of VSIP Repayment Requirement

An executive branch employee who received a VSIP and 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.
If the proposed employment is with an agency other than the Government Accountability Office, the United States Postal Service, or the Postal Rate Commission, the Director of the Office of Personnel Management may, at the request of the head of the agency, waive the repayment if the proposed reemployment is with an Executive agency, and

(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.

If the proposed reemployment is with an organization in the legislative branch, the head of the organization or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

If the proposed reemployment is with the judicial branch, the Director of the Administrative Office of the U.S. Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

Some agencies may still have their own buyout laws, or have had buyout laws that have expired only recently. Many employees received buyouts under these laws. The eligibility of these employees to be reemployed by the Government within 5 years of buyout receipt or to have prospective employing agencies request buyout repayment waivers from OPM depends on the provisions of the buyout laws under which these buyouts were paid.

*Note: The Department of Defense (DoD) has its own VSIP law, Public Law 108-136, and the provisions for DoD VSIP recipients who may be subject to VSIP repayment if reemployed by DoD differ from the requirements stated above.

26. Agency Management of VSIP

Once the agency receives VSIP authority, the goals defined in the agency’s implementation plan will assist the agency in monitoring the authority and, if necessary, in adjusting the plan while it is underway (for example, to close the VSIP window after reaching the agency’s workforce targets).
• Should the agency find that the basis under which it requested and received VSIP from OPM no longer exists, it must suspend its use of VSIP and immediately notify OPM.

• OPM may modify or terminate an agency's VSIP authority if OPM determines that the agency is no longer undergoing the substantial reorganization, reduction in force, transfer of function, or other workforce restructuring or reshaping which formed the basis for OPM's approval of the authority or if the agency deviates significantly from the VSIP plan it submitted. OPM may also take steps to amend, limit, or terminate an authority to ensure that the agency makes VSIP offers in a manner that is consistent with applicable laws, regulations or program policies.

27. Reserved
28. OPM Oversight of VSIP

OPM may modify or terminate an agency’s VSIP authority if OPM determines that the agency:

(1) Is no longer undergoing a period of substantial restructuring or downsizing that was the basis for OPM’s approval of the VSIP; or

(2) Did not administer the authority in a manner that is consistent with applicable law or regulations; or

(3) Failed to meet reporting deadlines or requirements.

29. Checklist for VSIP Request

The VSIP checklist is an easy to follow document that can be used to help develop VSIP requests. A thorough response to each element on the checklist should result in properly submitted VSIP requests and may reduce the amount of time needed by OPM to process the request.
Checklist for VSIP Requests

Agency: ________________________ ___________________
Component(s): _____________________________________
Date of Request: ______________________________________

A. The agency’s request includes a: ____ VSIP Implementation Plan  ____ Human Capital Plan?

The intended use of VSIP:
______________________________________________________________________________
______________________________________________________________________________

The plan includes:

1. ____ Identification of specific positions and functions to be reduced or eliminated (identified by organizational unit, geographic location, occupational category, grade level and any other factors related to the position).

2. ____ A description of the categories of employees who will be offered incentives (identified by organizational unit, geographic location, occupational category, grade level and any other factors such as skills and knowledge, or retirement eligibility)

3. ____ The time period during which incentives may be paid.

4. ____ The number and maximum amounts of voluntary separation incentive payments to be offered (i.e., approved).

5. ____ A description of how the agency will operate without the eliminated/restructured positions.

6. ____ A proposed organizational chart displaying the expected changes in the agency’s organizational structure after the agency has completed the incentive payments.

7. ____ If the agency has requested VERA, an explanation of how that authority will be used in conjunction with VSIP.

8. ____ If the agency is offering separation incentives under other statutory authority, a description of how that authority is being used.

9. ____ Verification that Agency VSIP/VERA reports are up to date (i.e., have been submitted to OPM in compliance with any existing authorities.)