

## **Restructuring Information Handbook Module 9**

### **Voluntary Early Retirement**

#### **Unit A, Required Procedures (Draft June 2003 version)**

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##### **Introduction**

The U.S. Office of Personnel Management developed the **Restructuring Information Handbook** to assist Federal agencies in identifying the mandatory statutory and regulatory procedures that apply to restructuring situations.

The Handbook also offers agencies options for minimizing or even eliminating the disruption that often results from restructuring.

There is no requirement for Federal agencies to use this Handbook. Also, the United States Court of Appeals for the Federal Circuit stated in **James v. Von Zemenszky**, 284 F.3D 1310 (2002), that: ". . . OPM's Restructuring Information Handbook is not a formal regulation, but merely an informal statement of agency views."

The structure of the Handbook assists the user in locating as much or as little restructuring information as the user needs. Some Modules contain only one **Unit**, while other Modules have two or more Units.

For subjects with mandatory statutory or regulatory requirements, **Unit A (Mandatory Requirements)** provides the user with both a crash course on the subject, and also with detailed information, complete with citations of requirements contained in law and regulation.

When appropriate, **Unit B (Guidance)** provides the user with useful guidance, including key appeals decisions from appellate bodies such as the Merit Systems Protection Board.

The summaries of appeals decisions are guidance prepared by individual OPM employees. The appeals summaries do not represent official summaries approved by OPM, the Board, or other appellate organizations, and are not intended to provide legal counsel or to be cited as legal authority. Instead, the appeals summaries inform and help the user locate relevant appellate precedents on a specific downsizing subject.

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**Unit F (Basic Index to Module)** and **Unit G (Detailed Index to Module)** help the user readily locate information within a specific Module.

Other Modules may contain additional Units, such as **Unit C (Appeals Index)**, and **Unit D (Samples)**.

Finally, Module 1 contains **Unit H, (Detailed Index to the Restructuring Information Handbook)**.

We welcome comments on the Restructuring Information Handbook.

Send any comments and suggestions to the Center for Talent and Capacity Policy at (202) 606-0960; FAX (202) 606-2329; or e-mail Thomas A. Glennon at [taglenno@opm.gov](mailto:taglenno@opm.gov).

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## Contents

**OPM's Restructuring Information Handbook Modules contain the following topics:**

<b>Topic</b>	<b>Module</b>	<b>Unit(s)</b>
Planning and Alternatives for Restructuring	1	B, F, G, H
Human Resource Responsibilities in Restructuring	2	B, F, G
Reduction in Force	3	A, B, C, D, E, F, G
Transfer of Function	4	A, B, C, F, G
Reduction in Force Furlough	5	A, B, C, F, G
Reemployment Priority List	6	A, B, C, F, G
Career Transition Assistance	7	A, F, G
Interagency Career Transition Assistance Plan	8	A, F, G
Voluntary Early Retirement	9	A, B, C, F, G
Voluntary Separation Incentive Payments	10	A, B, C, F, G

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**Using the Handbook**

The Modules contain many cross-references to additional pertinent material. To assist in searches, each Module features a unique index system that assists the user in readily locating information in that Module or in the other Modules.

For example, a reference to "**3-A-15-3**" refers to:

- (1) Module 3 ("**Reduction in Force**"),
- (2) Unit A ("**Required Procedures**"),
- (3) Section 15 ("**Credit for Performance in Reduction in Force**"),
- (4) Paragraph 3 ("**Time Period Covered by Employees' Performance Ratings**").

For a second example, a reference to "**3-B-6-5-(b)**" refers to:

- (1) Module 3 ("**Reduction in Force**"),
- (2) Unit B ("**Guidance**"),
- (3) Section 6 ("**Reorganization and Job Erosion**"),
- (4) Paragraph 5 ("**Use of RIF Procedures in Job Erosion Situations**"),
- (5) Subparagraph (b).

All of the Modules use the same index system.

For example, a reference to "**4-A-4-3**" refers to:

- (1) Module 4 ("**Transfer of Function**"),
  - (2) Unit A ("**Required Procedures**"),
  - (3) Section 4 ("**Determining Whether the Transfer of Function Provisions are Applicable**"),
  - (4) Paragraph 3 ("**Basis for Transfer of Function Decisions**").
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**Introduction** Restructuring Information Handbook Module 9 provides guidance on OPM's Voluntary Early Retirement Authority (VERA) regulations published in sections 831.114 and 842.113 of title 5 of the Code of Federal Regulations. Module 9 consists of five Units: (1) Unit A, "Required Procedures," (2) Unit B, "Guidance," (3) Unit C, "Voluntary Early Retirement Appeals," (4) Unit F, "Basic Index to Module 9," and (5) "Detailed Index to Module 9." This is the June 2003 version of Unit A.

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Legal Basis for VERA	2-1
Employee Eligibility for VERA	3-1
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## **Restructuring Information Handbook Module 9**

### **Voluntary Early Retirement**

#### **Unit A, Required Procedures (Draft June 2003 version)**

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## Section 1, Overview of the Voluntary Early Retirement Authority Option

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**Introduction** This section provides an overview of OPM's Voluntary Early Retirement (VERA) regulations. Each paragraph in Section 1 summarizes a specific VERA topic. For more detailed information on a topic, when appropriate a paragraph in Section 1 has a reference to related material in Module 1. The "Additional Information" paragraph below lists this reference.

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**Contents** This overview section contains the following topics:

Topic	See Paragraph
Purpose of VERA	9-A-1-1
VERA History	9-A-1-2
New VERA Flexibilities	9-A-1-3

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**Additional Information in Unit A:** This section in Restructuring Information Handbook Module 9, Unit A, has references to other sections in Unit 9-A for more detailed information on specific VERA topics.

To find additional information in this Module on these overview paragraphs below in Unit 9-A,	In Unit 9-A see paragraphs:
9-A-1-3-(a)	9-A-2-1
9-A-1-3-(b)	9-A-2-2

**A** In Section 1, this symbol highlights where you can find more detailed information in Unit 9-A on a VERA topic.

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**Additional Information in Unit B:** When appropriate, Restructuring Information Handbook Module 9, Unit B (Guidance) has additional information on material in Unit 9-A.

To find additional information on this key paragraph in Unit 9-A,	In Unit 9-B see paragraph:
9-A-1-2	9-B-1-2

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**B** This symbol highlights where you can find additional material in Unit 9-B.

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**①** This symbol guides you toward more references on the subject in Module 9 or in other Modules.

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## **Section 1, Overview of the Voluntary Early Retirement Authority Option**

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### **9-A-1-1      Purpose of VERA**

The purpose of the "**Voluntary Early Retirement Authority**" (VERA) option is to allow employees to voluntarily retire early under the Civil Service Retirement System (CSRS), or the Federal Employees Retirement System (FERS) from an agency that is undergoing substantial organizational change (e.g., reduction in force, reorganization, reshaping, delayering, etc.)

- In some restructuring situations, the early retirements create placement opportunities for other employees who would be involuntarily separated or downgraded in a reduction in force.

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### **9-A-1-2      VERA History**

Congress in 1973 initially authorized VERA as an option in 1973.

- (a) The original legislation allowed an agency to request VERA only because of the need to conduct a major reduction in force.
- (b) Through subsequent legislation, Congress expanded VERA to cover other situations, such as a major reorganization or a major transfer of function.
- (c) In more recent legislation from 1998 to the present, Congress affirmed the agency's right to restrict actual VERA retirements based on organizational needs.

**B** [See paragraph **9-B-1-2** for additional guidance.]

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### **9-A-1-3      New VERA Flexibilities**

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Section 1313(b) of the Homeland Security Act of 2002 (Public Law 107-296, approved November 25, 2002), provides additional VERA options for agencies that are restructuring.

- Under the Act, agencies now for the first time have the added option of requesting VERA on the basis of positions that the agency identifies as surplus or excess to the agency's future ability to carry out its mission.

- A** (a) Section **9-A-2-1** covers the current statutory authority for VERA.
- A** (b) Section **9-A-2-2** covers the current regulatory authority for VERA.
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## Section 2, Legal Basis for VERA

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**Introduction** This section covers the legal basis for OPM's Voluntary Early Retirement (VERA) regulations. This section also covers information for processing VERA retirements.

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**Contents** This section contains the following topics:

Topic	See Paragraph
Statutory Authority for VERA	9-A-2-1
Regulatory Authority for VERA	9-A-2-2
GAO Exclusion	9-A-2-3

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**Additional Information** This section in Restructuring Information Handbook Module 9, Unit A, has references to other sections in Unit 9-A for more detailed information on specific VERA topics.

 This symbol guides you toward more references on the subject in Module 9 or in other Modules.
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## **Section 2, Legal Basis for VERA**

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### **9-A-2-1      Statutory Authority for VERA**

The "**Voluntary Early Retirement Authority**" (**VERA**) option is presently authorized by Section 1313(b) of the Homeland Security Act of 2002 (Public Law 107-296, approved November 25, 2002).

- (a) Subparagraph 5 U.S.C. 8336(d)(2) includes the statutory VERA provisions for employees covered by the Civil Service Retirement System.
  - (b) Subparagraph 5 U.S.C. 8414(b)(1)(B) includes the statutory VERA provisions for employees covered by the Federal Employees Retirement System.
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### **9-A-2-2      Regulatory Authority for VERA**

OPM implements the statutory VERA requirements through the following regulations:

- (a) Section 5 CFR 831.114 covers VERA for employees covered by the Civil Service Retirement System (CSRS); and
  - (b) Section 5 CFR 842.213 covers VERA for employees covered by the Federal Employees Retirement System (FERS).
    - On June 13, 2003, OPM published interim parts 831 and 842 VERA regulations (effective on the date of publication) in the Federal Register at 68 FR 35270).
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### **9-A-2-3      GAO Exclusion**

The OPM's VERA regulations do not apply to the General Accounting Office (GAO). (5 CFR 831.114(q); 5 CFR 842.213(q))

- Section 1313(b)(3) of the Homeland Security Act excluded GAO from coverage under OPM's VERA regulations. (5 U.S.C. 8336 note; 114 Stat. 1063)

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- GAO continues its agency-specific VERA authority under Section 1 of Public Law 106-303. (5 U.S.C. 8336 note; 114 Stat. 1063)
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### Section 3, Employee Eligibility for VERA

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**Introduction** This section covers the legal minimum age and service requirements for retirement under the Voluntary Early Retirement Authority option. This section also contains general information on both the Discontinued Service Retirement (DSR) option, and Voluntary Separation Incentive Payments (VSIP), usually known as “buyouts.”

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**Contents** This section contains the following topics:

Topic	See Paragraph
General Eligibility for VERA	9-A-3-1
Discontinued Service Retirement	9-A-3-2
Voluntary Separation Incentive Payments	9-A-3-3

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**Additional Information** This section in Restructuring Information Handbook Module 9, Unit A, has references to other sections in Unit 9-A for more detailed information on specific VERA topics.

To find additional information on this key paragraph in Unit 9-A,	In Unit 9-A, see paragraph:
9-A-3-1-(e)	9-A-5-2

**A** This symbol highlights where you can find additional material in Unit 9-A.

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**Additional Information** ⓘ This symbol guides you toward more references on the subject in Module 9 or in other Modules.

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## Section 3, Employee Eligibility for VERA

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### 9-A-3-1

#### General Eligibility for VERA

In order to be eligible to retire under VERA, an employee must meet all six conditions in subparagraphs (a) through (f) below:

- (a) Meets the VERA minimum age and service requirements (5 CFR 831.114(k); 5 CFR 842.214(k))—
- (1) Completed at least 20 years of creditable service and be at least age 50, or
  - (2) Completed at least 25 years of creditable service regardless of age;
    - The minimum age and service requirements are set by statute in 5 U.S.C. 8336(d)(2) for CSRS employees, and in 5 U.S.C. 8414(b)(1) for FERS employees.
    - OPM has no authority to waive either the minimum age or service requirement for VERA eligibility.
    - Paragraph **3-A-17-6** in Restructuring Information Handbook Module 3 (“Reduction in Force”) includes guidance on an employee’s right to use annual leave past the employee’s planned reduction in force separation date in order to gain initial eligibility for an immediate annuity, and/or to meet the participation requirement to continue health benefits into retirement.
    - Paragraph **3-A-17-8** in Module 3 includes guidance on an employee’s right to use annual leave past the employee’s planned separation date after declining relocation in order for the employee to gain initial eligibility for an immediate annuity, and/or to meet the participation requirement to continue health benefits into retirement.
- (b) Has been continuously employed by the agency for at least 31 days before the date that the agency requested OPM approval

of VERA (5 U.S.C. 8336(d)(2)(A); 5 U.S.C. 8414(b)(1)(B)(i));

- (c) Holds a position that is not a time-limited appointment (5 U.S.C. 8336(d)(2)(B); 5 U.S.C. 8414(b)(1)(B)(ii));
- (d) Has not received a final removal decision based upon misconduct, or unacceptable performance (5 U.S.C. 8336(d)(2)(C); 5 U.S.C. 8414(b)(1)(B)(iii));
- (e) Holds a position covered by the agency's VERA (5 U.S.C. 8336(d)(2)(E); 5 U.S.C. 8414(b)(1)(B)(v)); and

**A** [See paragraph **9-A-5-2** for guidance on how an agency defines VERA coverage on an organizational rather than personal basis.]

- (f) Retires under the VERA option during the agency's VERA window period (5 U.S.C. 8336(d)(2)(E); 5 U.S.C. 8414(b)(1)(B)(v)).

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### **3-A-3-2**

#### **Discontinued Service Retirement**

Although the age and service requirements are the same, "**Discontinued Service Retirement**" (**DSR**) is not the same as VERA.

- The formula used to compute a DSR annuity is the same as the formula used to compute a VERA annuity.
- Discontinued Service Retirement is an involuntary action, while voluntary early retirement is a voluntary action.
- Chapter 44 of the "**CSRS/FERS Handbook**" contains complete information on Discontinued Service Retirement.

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### **9-A-3-3**

#### **Voluntary Separation Incentive Payments**

A "**Voluntary Separation Incentive Payment**" (**VSIP**) (also called a "**Buyout**") is not the same as VERA.

- OPM approval of VERA for an agency does not automatically authorize Voluntary Separation Incentive

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Payments.

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    - Restructuring Information Handbook Module 10 (“Voluntary Separation Incentive Payments”) provides additional guidance on the executive branch buyout provisions authorized by the Homeland Security Act of 2002.
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## Section 4, Requesting OPM Approval of VERA

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**Introduction** This section covers the agency's right to make decisions concerning the VERA option. This section also covers how an agency requests OPM approval of VERA under the Homeland Security Act of 2002.

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**Contents** This section contains the following topics:

Topic	See Paragraph
Management Right to Request VERA	9-A-4-1
VERA Request From Agency Headquarters	9-A-4-2
Submitting a VERA Request to OPM	9-A-4-3
Information in VERA Request	9-A-4-4
Basis for OPM Approval of VERA Request	9-A-4-5
OPM Evaluation of VERA Request	9-A-4-6
Maximum Time Period for VERA Option	9-A-4-7
Forwarding Overdue VERA Reports to OPM	9-A-4-8

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**Additional Information in Unit A:** This section in Restructuring Information Handbook Module 9, Unit A, has references to other sections in Unit 9-A for more detailed information on specific VERA topics.

To find additional information on this key paragraph in Unit 9-A,	In Unit 9-A, see paragraph:
9-A-4-1-(c)	9-A-5-2
9-A-4-1-(d)	9-A-4-7
9-A-4-1-(e)	9-A-5-3

<p><b>A</b> This symbol highlights where you can find additional material in Unit 9-A.</p>
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**Additional  
Information  
in Unit B:**

When appropriate, Restructuring Information Handbook Module 9, Unit B (Guidance) has additional information on material in Unit 9-A.

To find additional information on this key paragraph in Unit 9-A,	In Unit 9-B see paragraph:
9-A-4-1	9-B-4-1

**B** This symbol highlights where you can find additional material in Unit 9-B.

**i** This symbol guides you toward more references on the subject in Module 9 or in other Modules.

## **Section 4, Requesting OPM Approval of VERA**

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### **9-A-4-1      Management Right to Request VERA**

The agency's rights include the right to: (5 U.S.C. § 7106(a))

**B**      [See paragraph **9-B-4-1** for additional guidance.]

- (a)      Request VERA from OPM;
- (b)      Decide whether to use an approved VERA;
- (c)      Decide which employees are covered by VERA;

**A**      •      See paragraph **9-A-5-2** for additional guidance.

- (d)      Establish the VERA window period;

**A**      •      See paragraph **9-A-4-7** for additional guidance;

and,

- (e)      Determine the number of employees who may retire under the VERA.

**A**      •      See paragraph **9-A-5-3** for additional guidance.

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### **9-A-4-2      VERA Request From Agency Headquarters**

An agency's request for VERA must be signed by: (5 CFR 831.114(c); 5 CFR 842.213(c))

- (a)      The head of the agency; or

**ⓘ**      (b)      A "**Specific Designee**" with delegated authority, as defined in subparagraph (c) below.

- (c)      A "**Specific Designee**" in subparagraph (b) above is defined as a senior officer or official within an agency who has been specifically designated to sign requests for VERA: (5 CFR 831.114(a); 5 CFR 842.213(a))

- (1) For the head of the agency; or
  - (2) In place of the head of the agency.
- An agency should also consider other alternatives to involuntary actions (e.g., career transition assistance programs, hiring freezes, retraining, etc.).
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- For information on additional options to avoid involuntary separations and demotions, see Restructuring Information Handbook Module 1, "Planning and Alternatives for Restructuring."
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**9-A-4-3**      **Submitting a VERA Request to OPM**

- A**      An agency submits its request for VERA authority under paragraph **9-A-4-2** above to the appropriate OPM Human Capital Performance Officer.
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**9-A-4-4**      **Information in VERA Request**

- ①      The agency's request to OPM for VERA approval must contain the information in subparagraphs **(a)** through **(i)** below:
- (a) Identification of the agency, or organization(s), covered by VERA (5 CFR 831.114(d)(1); 5 CFR 842.213(d)(1));
  - (b) Reasons why the agency needs VERA (5 CFR 831.114(d)(2); 5 CFR 842.213(d)(2));
    - In its reasons for requesting VERA, the agency must include a detailed summary of the agency's personnel and/or budgetary situation that will result in an excess of personnel because of substantial delayering, reorganization, reduction in force, transfer of function, or other workforce restructuring or reshaping (5 CFR 831.114(d)(2); 5 CFR 842.213(d)(2)).
    - The agency's reasons for VERA must be consistent with its human capital goals (5 CFR 831.114(d)(2); 5 CFR

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842.213(d)(2).

**A**

- (c) The date on which the agency expects to implement the substantial delaying, reorganization, reduction in force, transfer of function, or other workforce restructuring or reshaping (5 CFR 831.114(d)(3); 5 CFR 842.213(d)(3));
- (d) The time period(s) covered by the VERA (5 CFR 831.114(d)(4); 5 CFR 842.213(d)(4));
  - See paragraph **9-A-4-7** for additional guidance.]
- (e) The total number of non-temporary employees in the organization(s) covered by the VERA (5 CFR 831.114(d)(5); 5 CFR 842.213(d)(5));
- (f) The total number of non-temporary employees in the organization(s) covered by the VERA who, without the VERA option, will be involuntarily separated, downgraded, or excess, because of reduction in force, relocation, or restructuring (5 CFR 831.114(d)(6); 5 CFR 842.213(d)(6));
- (g) The total number of non-temporary employees in the organization(s) covered by the VERA who are eligible for voluntary early retirement (5 CFR 831.114(d)(7); 5 CFR 842.213(d)(7));
- (h) An estimate of the total number of non-temporary employees in the organization(s) covered by VERA who are expected to actually retire (5 CFR 831.114(d)(8); 5 CFR 842.213(d)(8)); and
- (i) A description of the types of personnel actions that the agency anticipates may be necessary as a result of the agency's need for VERA (5 CFR 831.114(d)(9); 5 CFR 842.213(d)(9)).
  - Examples of personnel actions for purposes of this subparagraph include separations, transfers, reassignments, and downgradings.

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**9-A-4-5**

**Basis for OPM Approval of VERA Request**

OPM may approve an agency's VERA request if OPM determines that

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the agency (or a component) meets of the conditions in subparagraphs (a) and (b) below:

- (a) The agency is undergoing substantial (5 U.S.C. 8336(d)(2)(i); 5 U.S.C. 8414(b)(1)(B)(iv)(I)):
  - (1) Delaying;
  - (2) Reorganization;
  - (3) Reduction in force;
  - (4) Transfer of function; or
  - (5) Other workforce restructuring.
  
- (b) Because of the substantial organizational changes in subparagraph (a) above, either:
  - (1) A significant percentage of the agency's employees are likely to be involuntarily separated or demoted because of one or more of the five reasons in subparagraphs (a)(1) through (a)(5) above (5 U.S.C. 8336(d)(2)(ii); 5 U.S.C. 8414(b)(1)(B)(iv)(II)); or
  - (2) The agency has identified employees in positions that are becoming surplus or excess to the agency's future ability to effectively carry out its mission (5 U.S.C. 8336(d)(2)(iii); 5 U.S.C. 8414(b)(1)(B)(iv)(II)).

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**9-A-4-6**

**OPM Evaluation of VERA Request**

OPM will evaluate an agency's VERA request based upon:

- (a) A specific request from the agency for the VERA option (5 CFR 831.114(e)(1); 5 CFR 842.213(e)(1)); or
- (b) A VSIP implementation plan, which must outline the agency's intended use of both VERA and VSIP (5 CFR 831.114(e)(2); 5 CFR 842.213(e)(2)); or
  - OPM's subpart 5 CFR 576-A regulations cover requests

for VSIP authority.

- ①
    - Restructuring Information Handbook Module 10 (“Voluntary Separation Incentive Payments”) provides additional guidance on buyouts.
  - (c) The agency’s human capital plan, which must outline its intended use of both VERA and VSIP, and the changes in organizational structure that the agency expects to make as the result of projected separations for both VERA and VSIP (5 CFR 831.114(e)(3); 5 CFR 842.213(e)(3)).
  - A
    - Regardless of the method used, the agency’s VERA request must include all of the information covered in paragraph **9-A-4-4**. (5 CFR 831.114(f); 5 CFR 842.213(f))
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#### **9-A-4-7**

#### **Maximum Time Period for VERA Option**

OPM may approve an agency’s VERA request through: (5 CFR 831.114(g); 5 CFR 842.213(g))

- (a) The entire period of the agency’s substantial delaying, reorganization, reduction in force, transfer of function, or other workforce restructuring or reshaping; or
  - (b) The initial portion of the period covered in subparagraph (a) with a requirement for subsequent information and justification if the period covers multiple years.
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#### **9-A-4-8**

#### **Forwarding Overdue VERA Reports to OPM**

OPM may require an agency to forward overdue interim and final reports on a previous VERA before OPM approves a new VERA for the agency. (5 CFR 831.114(p); 5 CFR 842.213(p))

- OPM’s approval letter to the agency contains the VERA reporting requirements.
- ①
  - Section **9-A-7** covers OPM oversight of an approved VERA.

## Section 5, Offering VERA to Employees

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**Introduction** This section explains the conditions under which an agency may offer VERA after OPM approves an agency's request for this authority under the Homeland Security Act of 2002.

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**Contents** This section contains the following topics:

Topic	See Paragraph
VERA Offers Must Be Consistent With OPM-Approved Authority	9-A-5-1
Organizational Basis for VERA Offers	9-A-5-2
Selecting Employees for VERA	9-A-5-3
Agency Options to Modify VERA	9-A-5-4
Ensuring that VERA Retirements are Voluntary	9-A-5-5
Possible Waiver of the Usual Participation Requirement to Continue Health Benefits into Retirement	9-A-5-6
Processing VERA Separations	9-A-5-7
OPM's VERA Operating Procedures	9-A-5-8

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**Additional Information** When appropriate, Restructuring Information Handbook Module 9, Unit B (Guidance) has additional information on material in Unit 9-A.

To find additional information on these key paragraphs in Unit 9-A,	In Unit 9-B see paragraph:
9-A-5-2	9-B-5-2
9-A-5-2-(a)	9-B-5-2-(a)
9-A-5-2-(c)	9-B-5-2-(c)
9-A-5-2-(d)	9-B-5-2-(d)
9-A-5-2-(e)	9-B-5-2-(e)
9-A-5-5-(c)	9-B-5-5-(c)
9-A-5-5-(d)	9-B-5-5-(d)
9-A-5-6	9-B-5-6

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Restructuring Information Handbook Module 9  
Voluntary Early Retirement  
Unit A, Required Procedures (June 2003)

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 This symbol guides you toward more references on the subject in Module 9 or in other Modules.

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## **Section 5, Offering VERA to Employees**

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### **9-A-5-1      VERA Offers Must Be Consistent With OPM-Approved Authority**

An agency may offer VERA only as authorized in the agency-specific Authority approved by OPM. (5 CFR 831.114(m); 5 CFR 842.213(m))

- (a) An agency may not offer or process VERA actions beyond the expiration date stated in the VERA approved by OPM. (5 CFR 831.114(m); 5 CFR 842.213(m))
- (b) An agency may not offer VERA to employees not covered in the VERA approved by OPM. (5 CFR 831.114(m); 5 CFR 842.213(m))

- A**
    - Paragraph **9-A-4-4** covers the information that an agency provides in its VERA request submitted to OPM.
- 

### **9-A-5-2      Organizational Basis for VERA Offers**

An agency may offer VERA only on the basis of organizational considerations such as one or more of the nonpersonal factors covered in subparagraphs (a) through (f) below:

- (a) One or more organizational units (5 U.S.C. 8336(d)(2)(E)(i); 5 U.S.C. 8414(b)(1)(v)(I));

**B** [See subparagraph **9-B-5-2-(a)** for additional guidance.]

- (b) One or more classification series, occupations, and/or grade levels (5 U.S.C. 8336(d)(2)(E)(ii); 5 U.S.C. 8414(b)(1)(v)(II));

- (c) One or more geographical locations (5 U.S.C. 8336(d)(2)(E)(iii); 5 U.S.C. 8414(b)(1)(v)(III));

**B** [See subparagraph **9-B-5-2-(c)** for additional guidance.]

- (d) Specific VERA window period(s) (5 U.S.C. 8336(d)(2)(E)(iv); 5 U.S.C. 8414(b)(1)(v)(IV));

**B** [See subparagraph **9-B-5-2-(d)** for additional guidance.]

- (e) Skills, knowledge, or other factors related to a position (5 U.S.C. 8336(d)(2)(E)(v); 5 U.S.C. 8414(b)(1)(v)(V)); or

**B**

[See subparagraph **9-B-5-2-(e)** for additional guidance.]

- (f) Any combination of the five factors under subparagraphs (a) through (e) above that the agency determines to be appropriate and necessary to implement the agency's VERA (5 U.S.C. 8336(d)(2)(E)(vi); 5 U.S.C. 8414(b)(1)(v)(VI)).
- 

**9-A-5-3**

**Selecting Employees for VERA**

After an agency applies paragraph **9-A-5-2** above and opens a window period for a VERA, the agency may limit VERA offers by:

- (a) An established opening and closing date that the agency announces to employees at the time of the initial VERA offer (5 CFR 831.114(i)(1); 5 CFR 842.213(i)(1)); or
- (b) Receipt of a specified number of applications for VERA, provided that, at the time of the initial offer, the agency notified employees of its right to limit retirements on that basis (5 CFR 831.114(i)(2); 5 CFR 842.213(i)(2)).

**①**

- If under subparagraph (a) above, the agency plans to terminate the VERA window before the original planned expiration date, the agency should consider allowing an employee to change the effective date of the retirement to precede the new expiration date of the window.
- (c) At its option, the agency may administratively implement a procedure to determine which employees may separate for a VERA when more employees apply for a VERA than the agency can accommodate. (5 U.S.C. 7106(a))
- (d) At its option, the agency may administratively implement a policy that allows: (5 U.S.C. 7106(a))
- (1) All employees to subsequently decline separating by VERA even after the employee signs the applicable forms;

- (2) No employees to subsequently decline separating by VERA even after the employee signs the applicable forms; or
- (3) On a case basis for a reason such as hardship and specific agency approval as an exception, employees to subsequently decline separating by VERA even after the employee signs the applicable forms.

**B** [See subparagraph **9-B-5-7-(d)** for additional guidance and appeals decisions on subparagraphs **(d)(1)-(3)**.]

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**9-A-5-4**      **Agency Options to Modify VERA**

- ① After an agency applies paragraph **9-A-5-2** above and opens a VERA window period, the agency may subsequently modify the authority when the conditions that served as the basis for OPM approval of the VERA have changed. (5 CFR 831.114(j); 5 CFR 842.213(j))
- (a) If the agency's restructuring needs change, the agency has the right to establish (5 CFR 831.114(j); 5 CFR 842.213(j)):
    - (1) A new or revised closing date for the VERA window period(s); and/or
    - (2) Increase or reduce the number of employees who may retire under the authority.
  - (b) If the agency revises the closing date of the VERA window, the agency (5 CFR 831.114(j); 5 CFR 842.213(j)):
    - (1) Must announce the revised closing date to the same group of employees included in the agency's original announcement to employees at the time of the initial VERA offer; and
    - (2) At the agency's option, may also announce a new VERA window period with a new closing date to a different group of employees than those included in the agency's original announcement to employees at the time of the initial VERA offer.

- ①
    - See subparagraph **9-A-5-2-(a)** for additional guidance on the agency's initial announcement of the VERA window period.
  - (c) If the agency increases or decreases the number of applications for VERA that the agency will accept, the agency (5 CFR 831.114(j); 5 CFR 842.213(j)):
    - (1) Must announce the revised number of VERA applications to the same group of employees included in the agency's original announcement to employees at the time of the initial VERA offer; and
    - (2) At the agency's option, may also announce a new number of VERA applications to a different group of employees than those included in the agency's original announcement to employees at the time of the initial VERA offer.
  - ①
    - See subparagraph **9-A-5-2-(b)** for additional guidance on the agency's initial announcement of the VERA window period.
  - (d) Without specific approval by OPM, the agency may not expand the availability of VERA to employees who are not covered by an authority approved by OPM. (5 CFR 831.114(m); 5 CFR 842.213(m))
- 

#### **9-A-5-5**

#### **Ensuring that VERA Retirements are Voluntary**

The agency is responsible for ensuring that employees are not coerced into retiring under a VERA, or that the employee's decision to retire under the VERA was based on erroneous or misleading information. (5 CFR 831.114(l); 5 CFR 842.213(l))

- (a) When announcing an opportunity to retire under a VERA, the agency should inform its employees that VERA is a voluntary action by the employee. (5 CFR 831.114(l); 5 CFR 842.213(l))
- (b) If an agency finds that an employee was coerced into VERA retirement, the agency has the responsibility to take appropriate

corrective action. (5 CFR 831.114(l); 5 CFR 842.213(l))

- (c) An employee who retires under VERA, but who subsequently believes that the retirement was involuntary, may appeal the basis for the retirement to the Merit Systems Protection Board.

**B** [See subparagraph **9-B-5-5-(c)** for additional guidance.]

- ① • Unit **9-C** (“Voluntary Early Retirement Authority Appeals”) includes reference decisions by the Merit Systems Protection Board, and the United States Court of Appeals for the Federal Circuit.

- ① • Unit **9-C** contains the same appeals included in Unit **10-C** (“Voluntary Separation Incentive Payment Appeals”) because the Board applies the same standard of a voluntary action to the separation of an employee by optional retirement, VERA, or resignation without regard to whether or not the employee separated for a VSIP.

- (d) An agency's canvass letter to determine potential employee interest in VERA is not coercion, but is simply an accepted tool to help the agency meet its present and future staffing needs.

**B** [See subparagraph **9-B-5-5-(d)** for additional guidance.]

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#### **9-A-5-6**

#### **Possible Waiver of the Usual Participation Requirement to Continue Health Benefits into Retirement**

If the agency offering VERA also has an OPM-approved VSIP plan, the agency may be covered by a waiver of the usual participation requirement to continue health benefits into retirement.

- Benefits Administration Letter (BAL) 00-220, dated November 7, 2000, covers “Federal Employees Health Benefits (FEHB) Program: Waivers of the Participation Requirement for Employees Retiring During an Agency Buyout Period.”
- BAL 00-220 covers 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 Voluntary Separation Incentive Payments.

- BAL 00-220 is available from OPM's website at [www.opm.gov](http://www.opm.gov).

**B**

[See paragraph **9-B-5-6** for additional guidance.]

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**9-A-5-7**

**Processing VERA Separations**

Chapter 30 of the "Guide to Processing Personnel Actions" contains processing instructions for VERA.

- The Guide is available on OPM's website at [www.opm.gov](http://www.opm.gov).
  - OPM's letter to the agency approving the VERA option also contains the Nature of Action Codes used to document VERA retirements.
- 

**9-A-5-8**

**OPM's VERA Operating Procedures**

Chapter 43 of the "**CSRS and FERS Handbook**" also contains information used by agencies to process employees' applications for VERA.

- The Handbook is available on OPM's website at [www.opm.gov](http://www.opm.gov).
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## Section 6, Agency Management of VERA

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**Introduction** This section covers the quarterly and final reports that each agency with a Voluntary Early Retirement Authority must submit to OPM. This section also covers the requirement that an agency must notify OPM of any changes in the conditions that served as the basis for OPM approving a VERA.

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**Contents** This section contains the following topics:

Topic	See Paragraph
Scheduled VERA Reports to OPM	9-A-6-1
Notifying OPM of VERA Changes	9-A-6-2

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**Additional Information** When appropriate, Restructuring Information Handbook Module 9, Unit 9 (Guidance) has additional information on material in Unit 9-A.

<b>i</b> This symbol guides you toward more references on the subject in Module 9 or in other Modules.
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## **Section 6. Agency Management of VERA**

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### **9-A-6-1**

#### **Scheduled VERA Reports to OPM**

After OPM approval of a VERA, the agency is required to provide OPM with interim and final reports on the authority. (5 CFR 831.114(p)); 5 CFR 842.213(p))

- OPM's approval letter to the agency contains the VERA reporting requirements.
- 

### **9-A-6-2**

#### **Notifying OPM of VERA Changes**

After OPM approval of a VERA, the agency is required to immediately notify OPM of any subsequent changes in the conditions that served as the basis for OPM approving the VERA. (5 CFR 831.114(h)); 5 CFR 842.213(h))



- Section **9-A-7** covers OPM oversight of an approved VERA.
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## Section 7, OPM Oversight of VERA

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**Introduction** This section explains when OPM may terminate, suspend, or modify an agency's Voluntary Early Retirement Authority.

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**Contents** This section contains the following topics:

<b>Topic</b>	<b>See Paragraph</b>
OPM May Terminate VERA Because of Changed Situation	9-A-7-1
OPM May Modify or Terminate VERA Because of Agency's Actions	9-A-7-2
OPM May Suspend VERA Because of Overdue or Incomplete Reports	9-A-7-3

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## **Section 7, OPM Oversight of VERA**

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### **9-A-7-1      OPM May Terminate VERA Because of Changed Situation**

OPM may terminate an agency's VERA if OPM determines that the agency is no longer undergoing the substantial delayering, reorganization, reduction in force, transfer of function, or other workforce restructuring that was the basis for OPM's approval of the VERA. (5 CFR 831.114(n)); 5 CFR 842.213(n))

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### **9-A-7-2      OPM May Modify or Terminate VERA Because of Agency's Actions**

OPM may modify or terminate an agency's VERA if OPM determines that the agency did not administer the authority in a manner that is consistent with applicable law or regulation. (5 CFR 831.114(o)); 5 CFR 842.213(o))

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### **9-A-7-3      OPM May Suspend VERA Because of Overdue or Incomplete Reports**

OPM may suspend an agency's VERA if the agency does not (5 CFR 831.114(p)); 5 CFR 842.213(p));

- (a) Provide the information requested by OPM in the reporting requirements for the authority; or
  - (b) Does not provide the information consistent with the reporting schedule.
    - OPM's approval letter to the agency contains the reporting requirements for the VERA, as well as the schedule to forward the reports to OPM.
-