

For: FFAS Employees, Except Foreign Service Employees

Opportunity to Apply for Voluntary Early Retirement Authority (VERA)

Approved by: Deputy Administrator, Management



1 Overview

A Background

USDA’s final FY 2011 budget contained significant reductions for FY 2011 with anticipated continuing budgetary shortfalls in FY 2012. Because of the immediate impacts resulting from the enactment of the Continuing Resolution, critical decisions were required to deal with funding reductions for a number of USDA programs and projects.

Taking a proactive approach to minimize the impacts on our workforce, USDA requested a Department-wide VERA or early out from OPM. The authority was approved on May 13, 2011, and will create greater organizational flexibility to reduce potential impacts on employees.

Note: This VERA offer is **not** in conjunction with a separation incentive payment or buyout.

B Purpose

This notice announces the opportunity and encourages all eligible employees to voluntarily apply to separate through early-out retirement in FY 2011. If FFAS can achieve needed workforce reductions, FFAS can increase the chances to potentially avoid the use of other adverse workforce reduction strategies and furloughs.

<p>Disposal Date</p> <p>January 1, 2012</p>	<p>Distribution</p> <p>All FAS, FSA, and RMA employees, except Foreign Service employees; State Offices relay to County Offices</p>
--	--

Notice PM-2807

1 Overview (Continued)

C Early-Out Maximum

VERA is being offered to employees who are eligible for early out, regardless of title, occupational series, grade, and location. All eligible applicants will be considered; however **not** all applicants will be approved. If applicants meet all eligibility requirements for early retirement, approvals will be granted unless the early retirement date will severely impede functionality or program delivery or decimates an entire office. In this case, an exception must be requested and approved by OHRM.

D Labor-Management Obligations

Where contract language addresses these policies and procedures for bargaining unit employees, contract language prevails.

2 VERA Information

A Who is Covered by the VERA Authority

Federal and county employees are eligible to apply for VERA if the employee:

- meets all eligibility requirements for early retirement by their proposed retirement date which must occur between July 29 and August 31, 2011
- is **not** covered under the Foreign Service Retirement System
- is on an appointment without time limitation
- has been continuously employed by USDA since April 6, 2011
- is **not** in receipt of a decision of involuntary separation for misconduct or unsatisfactory performance
- is **not** a Presidential Management Fellows trainee GS-5 or GS-7
- is **not** in a series or position for which USDA has Direct Hire Authority:
 - IT Specialist (INFOSEC), GS-2210
 - Nurse, GS-0610 and GS-0620
- separates by early-out retirement (except disability retirement).

Exception: If employees who are on official military duty meet all application requirements and eligibility criteria during the offer period, the employee has 30 calendar days following “return to duty” to either accept or reject an offer of VERA.

Notice PM-2807

2 VERA Information (Continued)

B Supervisor's Responsibility

Supervisors **must** provide this notice to temporarily absent employees, including employees on official military duty, so the employees are informed about the early-out application opportunity.

C VERA Application Procedures

To be considered for early retirement, employees must submit a completed application to the following proper HRD e-mail address. Employees shall submit an application in consideration of the guidance offered in Exhibits 1 and 2. If the VERA application is **not** received in HRD **between June 13 to the July 8, 2011, deadline**, the VERA application will **not** be considered. The VERA application is available:

- in Exhibit 3
- from the FFAS Employee Forms/Publication Website at <http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>. ENTER "Notice PM-2807 Exhibit 3" in the "Form Number" box to access a fillable version of the application
- FFAS Human Resources Web Site at <http://www.fsa.usda.gov/FSA/hrdapp?area=home&subject=landing&topic=landing>. Under "In the News", see "Voluntary Early-Out Retirement".

Applications shall be sent to HRD from the employee's official work e-mail address to 1 of the following addresses.

Agency	E-Mail Address
FAS employee	FAS-VERA-APPLIC@WDC.usda.gov
FSA employee	FSA-VERA-APPLIC@WDC.usda.gov
RMA employee	RMA-VERA-APPLIC@WDC.usda.gov

Notes: If an employee is on extended leave and unable to use an official work e-mail address between June 13 to the July 8, 2011, deadline, the employee is permitted to use a personal e-mail account.

E-mailed applications do **not** require a signature as the e-mail transmittal will suffice. Because of time constraints of the application window, do **not** mail applications to HRD.

All applicants must list their official work e-mail address on the VERA application. After the application is received, applicants will receive an e-mail acknowledgement within 3 workdays. Subsequently applicants will be notified by e-mail whether their early-out application is approved or not approved by **July 25, 2011**.

3 VERA Eligibility

A Early Retirement Eligibility

Employees covered by CSRS or FERS are eligible for an immediate annuity under early out, if the following applies:

- at least age 50 with 20 years of service
- have 25 or more years of service at any age.

CSRS employees:

- must have served in a position covered by CSRS for at least 1 year of the 2 years immediately preceding retirement
- will have the basic annuity reduced by 2 percent for each year ($1/6^{\text{th}}$ of 1 percent for each full month) an employee is under 55 years of age at the time of retirement. This is a permanent reduction in the annuity.

Under FERS, there is no age reduction for voluntary early retirement, but if an employee who transferred to FERS is entitled to a CSRS component, the CSRS component will be subject to the 2 percent age reduction rule if the employee is under 55 years of age.

B Crediting Unused Sick Leave

CSRS employees will receive credit for any unused sick leave in the computation of their annuity.

FERS employees retiring before January 1, 2014, will receive credit for 1/2 of their unused sick leave balance in the computation of their annuity.

Employees who transferred to FERS and will receive a CSRS component in the annuity computation will receive credit in their CSRS component for the lesser of either of the following:

- sick leave balance as of date of transfer to FERS
- sick leave balance as of date of retirement.

These employees will also receive credit for 1/2 of any remaining balance in the FERS component of their annuity.

Unused sick leave will not be used in determining eligibility for retirement.

3 VERA Eligibility (Continued)

C Types of Deposit and Redeposit Service

The following types of service may have an effect on determining eligibility for retirement and in computing the annuity.

Type of Service	Explanation
Deposit	Creditable civilian service during which retirement deductions were not withheld.
Redeposit	Creditable civilian service where retirement deductions were withheld, but later refunded after a separation.
Post 1956 Military	Active duty military service performed after December 31, 1956.

Employees who have any of these types of service shall contact their servicing HR office to determine what effect nonpayment of the deposit or redeposit will have on their retirement eligibility and annuity computation.

D Eligibility for FERS Annuity Supplement

FERS retirees under 62 years of age are immediately eligible for the annuity supplement at the time of retirement if they had at least 1 calendar year of FERS service.

FERS retirees are eligible for the annuity supplement upon attaining minimum retirement age (MRA), rather than at the time of retirement, if they:

- had at least 1 calendar year of FERS service
- retired before MRA under voluntary early retirement.

FERS retirees are **not** eligible for the retiree annuity supplement at any time when 1 of the following apply:

- eligible only for deferred annuity
- retiring at 62 years of age or later.

The retiree annuity supplement is payable until 62 years of age.

E Continuing Health Insurance into Retirement

OPM has waived the 5-year requirement for continuing health insurance for employees separating under VERA.

F Continuing Life Insurance into Retirement

OPM has **not** waived the 5-year requirement for continuing life insurance into retirement. Therefore, retiring employees must have been insured under the FEGLI program for either of the following to continue coverage into retirement for:

- the 5 years of service immediately before retirement
- all of their service during which they were eligible for FEGLI coverage, if less than 5 years.

4 Additional Retirement Information

A Additional Information and Counseling

Additional information about early retirement, benefits, and employment after voluntary early retirement is available at <http://www.opm.gov/employ/vera/vera01.asp>.

To help employees make this important decision, access the retirement calculator at <https://connecthrusdaauth.gdcii.com/>.

HR representatives can provide employees with computations of an estimated retirement annuity. Formal counseling sessions are also available for employees and their spouses, and can be scheduled by contacting their servicing HR office.

Important: Application must be received in HRD for consideration for approval. Employees must also complete retirement application and additional separation documents to retire after being approved for early out.

For general information on the early-out authority and about this notice, employees may contact Troy Perry, Policy and Accountability Branch, HRD, by either of the following:

- telephone at 202-401-0436
- e-mail at troy.perry@wdc.usda.gov.

Employees shall use the following to identify the appropriate HRD point-of-contact to direct questions about their retirement eligibility, SCD date, or other retirement benefit related questions. Because of the anticipated level of interest, employees are encouraged to request calculations as soon as possible.

Exhibit 1 contains a list of VERA Frequently Asked Questions and Answers and Exhibit 2 contains guidance on “Other Considerations for Early Retirement.”

Notice PM-2807

5 Additional Retirement Information (Continued)

A Additional Information and Counseling (Continued)

IF employed in...	THEN contact for retirement information and/or an application for retirement...
Kansas City duty station	<p>1 of the following employees in the Benefits and Performance Management Section, HRD:</p> <ul style="list-style-type: none"> • Dana Candler by either of the following: <ul style="list-style-type: none"> • telephone at 816-926-6117 • e-mail at dana.candler@kcc.usda.gov • Patty Gepford by either of the following: <ul style="list-style-type: none"> • telephone at 816-826-6259 • e-mail at patricia.gepford@kcc.usda.gov. <p>Note: The TTY number is 816-926-7440.</p>
all other duty stations	<p>1 of the following employees in the Benefits and Performance Management Section, HRD:</p> <ul style="list-style-type: none"> • Darla Hensley by either of the following: <ul style="list-style-type: none"> • telephone at 202-401-0681 • e-mail at darla.hensley@wdc.usda.gov • Sharon Black by either of the following: <ul style="list-style-type: none"> • telephone at 202-401-0584 • e-mail at sharon.black@wdc.usda.gov. <p>Note: The TTY number is 202-205-9057.</p>
FSA State or County Office	State Administrative Office.

Frequently Asked Questions and Answers for VERA

- 1. What is VERA?** VERA is commonly referred to as early-out retirement, and that's exactly what this authority does. It expands the normal retirement eligibility to allow employees to voluntarily retire, with an immediate annuity, before they would otherwise be eligible. There are some basic eligibility criteria under the law. You must also meet USDA criteria. An early retirement may have an effect on your annuity. The VERA is separate from the **Voluntary Separation Incentive Payment (VSIP)** also called the buyout authority. A VERA or VSIP are not dependent or contingent on the other. An agency can offer one and not the other.
- 2. Who is eligible for a VERA?** USDA has received approval for a VERA. You must also meet some additional requirements. If you are covered by the Civil Service Retirement System (CSRS), you must have served in a position covered by the CSRS for at least 1 year out of the 2 years immediately before retirement. For employees covered by the Federal Employees Retirement System (FERS), this rule does not apply.

You must be at least 50 years of age with 20 years of service or have 25 years of service at any age. At least 5 years must be civilian service, whether you are retiring under CSRS or FERS. In addition, you:

- Must be in a position covered by the VERA granted by the Office of Personnel Management (OPM);
- Must not be serving under a time limited appointment;
- Must have been on the agency's rolls at least 30 days prior to the date of application to OPM for VERA approval;
- Must not have been notified that you will be involuntarily separated for misconduct or unacceptable performance; and
- Your retirement date must be on or before the VERA expiration date.

Frequently Asked Questions and Answers for VERA (Continued)

- 3. Are trainees eligible for VERA?** Under USDA early-out plans, trainees and Presidential Management Fellows are excluded from a VERA. The definition of trainee is based on one that is used in the Reduction-in-Force (RIF) ground rules.

Presidential Management Fellows and Fire Apprentices, regardless of the appointment authority they are hired under, are considered trainees and excluded from a VERA. Positions that are formally designated developmental (e.g., grades 5-7 entry level) will also be considered as trainees and excluded from a VERA if they meet the criteria under 5 CFR 351.703(e). Two-grade interval positions are generally developmental at the GS-5-7 level but must be reviewed to ensure that formal designation is appropriate. Only those employees that are on formally designated detailed training career plans will be considered as trainees. Employees in developmental positions that do not have detailed career plans will be eligible for early out (provided they meet all other provisions of the plan). Student Career Experience Program (SCEP's) employees are no longer considered "formal trainees" once they have converted to career appointments.

5 CFR 351.703(e) states that a formally designated trainee or developmental positions must be in a training program that meets all of the following characteristics:

1. The program must be designed to meet the agency's need for the development of skilled personnel;
2. The training program must have been formally designated and announced to employees and supervisors;
3. The program must offer planned growth in duties and responsibilities providing advancement in recognized career progression; and
4. The program must be fully implemented with participants chosen through established selection procedures.

- 4. Can I retire under VERA and also receive a VSIP?** No. VSIP is not being offered.
- 5. If I'm eligible for VERA, what rights and benefits would I be giving up to voluntarily retire rather than waiting to be separated involuntarily?** Because you would be leaving voluntarily you would be giving up:
- Placement assistance;
 - Selection priority for federal employment under the Career Transition Assistance Program (CTAP) and Interagency Career Transition Assistance Programs (ICTAP). These programs give you selection priority for federal jobs in your area at your same or lower grade, if you apply for them and are well-qualified.
 - Unemployment benefits (depending on your State's rules);
 - If you come back to Federal employment, you would come back as a reemployed annuitant instead of an employee.

Frequently Asked Questions and Answers for VERA (Continued)

- 6. If I retire under VERA and do not take a buyout, can I take a job in another Federal agency?**
Yes; however, you will come back as a reemployed annuitant which generally means your annuity is subtracted from the salary you earn in the new position.
- 7. What if my agency offers a VERA but I am on military duty during the authority time limit?**
Employees on military duty are treated as though they were still on the job and are not disadvantaged because of their military service. Therefore, if you met the eligibility criteria during the offer period, you would have 30 days following your return to duty with USDA to either accept or reject an offer of VERA.
- 8. What does a "time-limited appointment" mean?** An employee on an appointment with a time limit works only until a specified date and then goes off the rolls. The employing agency sets the ending date when it hires the individual and/or when it extends the appointment. For example, temporary and term employees serve with a time limit, so they are not eligible for an early-out retirement. Career and career-conditional employees and permanent employees in the excepted service have no time limit so they may be eligible.
- 9. What does "continuous service" mean?** To be eligible for early retirement, you must have been on the rolls of the Department of Agriculture 30 days prior to the request for the VERA, with no breaks. Leave without pay (LWOP), permanent seasonal employment (PSE) off-tour time, and other non-pay status during an appointment are NOT considered breaks in service.
- 10. Leaving Federal service under VERA is supposed to be voluntary. What if I am offered a VERA but do not choose to leave?"** Early retirement is a voluntary separation AND coercion is prohibited.
- 11. Does the VERA eligibility change the eligibility for regular optional retirement?** No. If you are under CSRS, you can take regular optional retirement if you are 55 with at least 30 years of service; age 60 with 20 years of service, or age 62 with 5 years of service. If you are under FERS, you can take regular optional retirement if you have reached your minimum retirement age (MRA) with at least 30 years of service; age 60 with 20 years of service, or age 62 with 5 years of service. In addition, an employee under FERS is eligible for an immediate annuity if he/she has 10 years of service and has reached the MRA. (Under this eligibility there is a 5 percent reduction for each year the employee is under age 62.) The MRA chart can be found at the following link: <http://www.opm.gov/retire/html/faqs/faq11.asp>. An employee under CSRS must meet the 1-out-of-last-2-years coverage requirement and all employees must have at least 5 years of civilian service.

Frequently Asked Questions and Answers for VERA (Continued)

12. What is the difference between VERA and discontinued service retirement (DSR)? The basic difference is simple. VERA is a voluntary separation. DSR is an involuntary separation. The differences between VERA and DSR benefits may seem subtle, but might be very important to you. It depends on what your personal plans and needs are. If there is a possibility that you will want to come back to work for any Federal agency, you should seek more detailed information from HRD BEFORE you accept a VERA offer.

Generally, if your unique position is being abolished, or you refuse a directed reassignment to a position outside of your commuting area, or to a position that is more than two grade intervals below your current grade, or receive a letter of separation from the agency in a RIF, you would be eligible for an immediate annuity retirement under DSR rules if you meet the age and length of service requirements. The age and service requirements for DSR are the same as those for VERA. The key differences come into play when/if you ever return to work for the Federal government, e.g., as a VERA retiree, you would be a reemployed annuitant with the amount of your pay will be offset by the amount of your annuity. If you were covered under CSRS and you separated under a DSR, you would not be considered a reemployed annuitant because your annuity will stop, so there would be no offset to pay. This does not apply to those covered under FERS.

13. I haven't been enrolled in the federal employees health benefits (FEHB) program for a full 5-year period and I accept a VERA, do I lose my FEHB? No, OPM has granted pre-approved waivers to employees who have been covered under the FEHB Program continuously since the beginning date of the agency's approved VERA and retire under the VERA.

14. I haven't been enrolled in the federal employees' life insurance (FEGLI) program for a full 5-year period. Do I lose my life insurance when I retire under VERA? Most likely, yes, but you could be eligible under certain circumstances or you might be able to convert your coverage. You should ask your benefits specialist what your options will be.

15. If I take early retirement is my annuity reduced? CSRS employees who retire under the voluntary early retirement authority will have a reduction in their annuity of 2 percent per year for each year they are under age 55. (The reduction is 1/6 of 1 percent for each full month.) This is a permanent reduction in annuity.

- Employees with only FERS service will not have their annuities reduced under voluntary early retirement. FERS employees retiring under the MRA+10 provision are subject to a reduction of 5% for each year under age 62.
- Under DSR or early retirement, FERS employees would receive their FERS supplement if under age 62 once they reach their MRA.
- Employees with both CSRS and FERS service will have a reduction only for the CSRS portion of their annuity if under age 55.
- Special rules apply to the calculation of annuities of employees who have part-time service after 1986. HRD can give you more details.

Frequently Asked Questions and Answers for VERA (Continued)

- 16. How do I know if I have enough time in service to meet the requirements to retire?** Although you can check your retirement service computation date (SCD) on your SF-50 (Notification of Personnel Action); on your yearly statement of benefits from NFC; or on NFC's Employee Personal Page (EPP); you should still check with your retirement specialist **BEFORE** you make a decision on accepting a VERA. They can provide you with a retirement calculation and verify that your retirement SCD is correct. Different types of appointments; types of federal service; or if you owe a deposit/redeposit can make a difference in your SCD. The rules are complicated and different depending on the retirement system you're covered under. **Don't just assume your service time is creditable.**
- 17. Where can I go to get an estimate of my annuity?** You need to access the retirement calculator at <https://connecthrusdaauth.gdcii.com/> or contact HRD.
- 18. Where can I get more information on retirement benefits?** Click <http://www.opm.gov/retire/index.aspx>. If you have questions or need additional information, contact HRD.
- 19. What is the effective date of my retirement/separation?** You may select the date of your retirement/separation, but it must be effective after the date of the VERA authorization and no later than the date the VERA expires.
- 20. Can I delay the date of my retirement?** No. An employee must retire by the date established for the VERA separation window.
- 21. Can my retirement date be delayed by management?** Management may extend your separation date when there is a documented need to retain your skills and knowledge.
- 22. Can Veterans Preference be applied to be eligible for a VERA?** No. There is no preference for veterans under the VERA authority.

Other Considerations for Early Retirement

Plan for a possible early out retirement offer and be prepared to act quickly if you are offered one. There is never a bad time to begin planning for the future and often employees do not have large amounts of time to consider an offer. Because of the fundamental changes in an employee's life that voluntary separations present, and because employees may not have large amounts of time to make decisions when offers are made, **IF YOU ARE CONSIDERING REQUESTING AN EARLY OUT RETIREMENT, YOU SHOULD TAKE THE FOLLOWING STEPS NOW TO BE PREPARED FOR ANY OFFERS THAT MAY BE MADE:**

☞ **REVIEW YOUR DETAILED SERVICE HISTORY INFORMATION TO ENSURE THAT ALL PERIODS OF YOUR FEDERAL SERVICE ARE DOCUMENTED**

Having all of this documented is critical because your annuity amount will be computed based on this information. Verify that all your military and civilian service, along with salary for any temporary service, has been documented. HRD retirement counselors can assist you in understanding your annuity. Be careful to determine what impact retirement or separation will have on your insurance coverage. Carefully consider whether you can live on a reduced income.

☞ **IF YOU SERVED IN THE MILITARY AFTER 1956 AND HAVE NOT ALREADY PAID A DEPOSIT FOR YOUR MILITARY TIME, SEND FOR YOUR PAY RECORDS**

It may be in your best interest to pay a retirement contribution to cover any post-1956 military service. You must do this before you retire. Start the process by requesting your military pay records from the military finance center for your branch of service. Begin the process immediately. It is not unusual for the processing of these changes to take as long as eight weeks. Contact HRD for more information on Post 56 and the process to make the payment.

☞ **DISCUSS YOUR PLANS WITH YOUR SPOUSE AND FAMILY**

A retirement represents a major change in your way of life. Your spouse and family should be involved in this life-changing decision. Retirement means more free time at home, and often, lower earnings. Discuss these issues with your family and allow them to take an active role in your planning. The choice to leave your job will affect them as much as it affects you.

☞ **CONSIDER MEETING WITH A PERSONAL FINANCIAL ADVISOR**

Because retirement means smaller paychecks, it may be useful to speak with a personal advisor or accountant. These individuals can help you figure out what tax advantages may be open to you, how much your income will be, what debts you can reduce, and what your standard of living would be like with your annuity.

**Immediate and thorough preparation and planning NOW
will make your decision much easier.**

Application for Voluntary Early-Out Retirement

Important: Carefully read procedures before completing and submitting this application to HRD.

Employee Last, First, and Middle Name: (Please Print and use official payroll record name)	Employee Contact Information:
	Office Phone Number: Cell/Mobile Number:
Position Identification (Position Title, Pay Plan, Series and Grade)	Work E-mail Address (example: bsmith@usda.gov)
Agency (please check the correct box):	Organizational Unit (Deputy Area and Division/Staff):
<input type="checkbox"/> - Farm Service Agency - Federal <input type="checkbox"/> - Farm Service Agency – County/Non Federal <input type="checkbox"/> - Risk Management Agency (RMA) <input type="checkbox"/> - Foreign Agricultural Service (FAS)	
Duty Station (City and State):	
Type of Application:	Proposed Separation Date (must be between July 29 and August 31, 2011):
<input type="checkbox"/> Early Retirement (without incentive)	Employee's preferred date: _____, 2011 - _____ Month and Day
<u>Statement of Understanding If Applying for Early Retirement:</u>	
<p>My decision to retire early is entirely voluntary and has not been coerced. I understand that I can withdraw my application to retire at any time before the effective date.</p> <p>By signing this document you are acknowledging you have read and understand the terms and conditions of this application.</p>	
Employee Signature	Date of Application: