

For: FAS Civil Service Employees

Voluntary Early Retirements

Approved by: Administrator, FAS



1 Overview

A Background

The Foreign Agricultural Service (FAS) is currently experiencing significant fiscal pressures resulting from the declining value of the dollar abroad and appropriations that will not fund the current service level of operations. It is highly likely that nondiscretionary wage and price increases will continue to exceed growth in appropriations in FY 2005 and beyond. Steps taken to address the current funding shortfalls essentially exhausted options other than infrastructure reductions. Therefore, to minimize potential involuntary separations, employees who meet the conditions in paragraph 3 may request retirement without an incentive payment.

B Purpose

This notice announces an opportunity for eligible FAS employees with a duty station of Washington, DC to apply for voluntary early retirement.

C Labor Management Obligations

Where exclusive representation exists, bargaining may be requested to the extent allowed by applicable statutes. Where contract language already addresses these policies and procedures for bargaining unit employees, contract language prevails.

Disposal Date	Distribution
October 1, 2005	All FAS Civil Service employees

Notice PM-2448

2 Opportunity for Voluntary Early Retirement

A Dates

Eligible Civil Service FAS employees may apply for voluntary early retirement from December 14, 2004, through August 31, 2005. Effective separation dates must be no later than September 30, 2005.

B Application Procedures

To be considered for a voluntary early retirement, eligible employees shall submit a signed, written request in any format to HRD by **COB, August 31, 2005**.

Requests shall be sent to HRD using 1 of the following methods:

- by FAX to 202-418-9127 or 202-418-9149
- in person to:

2101 L Street, NW
5th Floor, Room 5000
Washington, DC.

If you wish to be considered for voluntary early retirement **during the incentive period**, your request must be submitted using FAS-334 by December 21, 2004, for the first period and January 14, 2005, for the second period. See Notice PM-2449 for Voluntary Separation Incentive Payments. If the request is not received within HRD by the deadline, it will **not** be considered under the incentive program.

The request should be submitted using the same methods as above. The original FAS-334 with original signature is not required. FAS-334 is available at the FFAS Employee Forms Web Site which can be accessed at <http://intranet.fsa.usda.gov>.

HRD shall send each employee an e-mail message when his or her request is received. All employees will subsequently be notified if their requests are approved or not approved.

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2 Opportunity for Voluntary Early Retirement (Continued)

C Approval Criteria

Voluntary early retirements shall be approved:

- during the incentive periods (December 14, 2004, through January 3, 2005, and January 4, 2005, through January 31, 2005), see Notice PM-2449, subparagraph 2 E, for criteria
- after the incentive periods through August 31, 2005, based on the date in which the request is received.

Note: Date of actual retirement may be any date through September 30, 2005.

3 Eligibility for Voluntary Early Retirement

A Eligible Employees

CSRS and FERS employees are eligible for an immediate annuity under voluntary early retirement:

- if they are at least age 50 with 20 years of service
- at any age with 25 or more years of service.

Note: Employees must meet the eligibility requirements by the separation date.

CSRS employees:

- must have served in a position covered by CSRS for at least 1 year out of the 2 years immediately before retirement
- will have the basic annuity reduced by 2 percent for each year (1/6th of 1 percent for each full month) an employee is under age 55 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 is subject to the 2-percent-age-reduction rule if the employee is under age 55.

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3 Eligibility for Voluntary Early Retirement (Continued)

B Ineligible Employees

The following FAS employees are not eligible to apply for voluntary early retirement:

- employees who have not been continuously on FAS' rolls since at least 31 calendar days before December 14, 2004
- employees serving under time-limited appointments (that is, Schedule B employees without reemployment rights)
- employees in receipt of a decision of involuntary separation for misconduct or unsatisfactory performance.

C Continuing Health Insurance into Retirement

To continue FEHB coverage after retirement, the employee must have been continuously enrolled, or covered as a family member, under the FEHB Program for either of the following:

- for the 5 years immediately before retirement
- if less than 5 years, for all service since the employee was eligible for these benefits unless these requirements are waived.

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3 Eligibility for Voluntary Early Retirement (Continued)

C Continuing Health Insurance into Retirement (Continued)

The Office of Personnel Management (OPM) now has the authority to grant pre-approved waivers to employees retiring in conjunction with a Voluntary Separation Incentive Payment (VSIP) or Voluntary Early Retirement Authority (VERA) provided the employee:

- has 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

Note: FAS' last VSIP/VERA was held December 17, 1999.

- retires during the current statutory VSIP- or OPM-approved VSIP/VERA period and does 1 of the following:
 - receives VSIP
 - takes early optional retirement
 - takes discontinued service retirement based on an involuntary separation because of RIF, directed reassignment, reclassification to a lower grade, or abolishment of position.

Employees who meet the requirements above do not need to request a waiver in writing. FFAS' HRD will certify that the employee qualifies for the pre-approval.

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 VSIP. Employees who do not qualify for a pre-approved waiver may request a waiver from:

Office of Personnel Management
Retirement Benefits Branch
1900 E Street, NW
Washington, DC 20415-3532.

Contact Susan Brown at 202-418-9039, Darla Hensley at 202-418-9021, Maria Ruiz at 202-418-9034, or TTY at 202-418-9116 for further information.

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3 Eligibility for Voluntary Early Retirement (Continued)

D 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
- for all of their service during which they were eligible for FEGLI coverage if less than 5 years.

E Crediting Unused Sick Leave

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

FERS employees do not receive credit for unused sick leave in the computation of their annuity.

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

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

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

F Reporting Requirements

FAS is required to maintain records on the use of the voluntary early retirement authority.

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4 Additional Retirement Information

A Additional Information and Counseling

To help employees make this important decision, Human Resources specialists are available for counseling services.

Important: The employee's request for a voluntary early retirement must be received in **HRD** for approval. Employees will complete additional retirement documents after they have been approved for early retirement.

Employees shall use the following table to obtain the appropriate contact.

IF you need...	THEN contact...
retirement counseling or an annuity estimate	Susan Brown at 202-418-9039
forms	Darla Hensley at 202-418-9021 Maria Ruiz at 202-418-9034.
information about this notice	Sheila Campbell at 202-418-9011.