

For: Servicing FSA Human Resources Offices

Processing Voluntary Separation Incentive Payments (VSIP's) and Retirements

Approved by: Deputy Administrator, Management



1 Overview

A Background

Notice PM-2477 announced an opportunity for eligible employees to voluntarily apply for 2 programs commonly known as VSIP's or "buyouts" and Voluntary Early Retirement Authority (VERA's) or "early outs" with an effective separation date beginning October 1, 2005, but no later than November 3, 2005.

B Purpose

This notice provides instructions to servicing Human Resources (HR) offices in processing personnel actions for retirements and separations using the VSIP/VERA authorities granted by the Office of Personnel Management (OPM) for Federal and county employees. This includes the following:

- documenting and processing personnel actions for Federal and county employees
- processing a VSIP and VERA personnel action
- documenting retirement applications for Federal and county employees
- contact information for the National Finance Center (NFC)
- retirement and benefit information.

Note: Non-Federal employees are referred to as "county" throughout this notice.

C Notification

WDC HRD notified applicants approved for VSIP and VERA by e-mail. Servicing HR offices can provide employees with computations of VSIP/VERA payments and, if eligible, 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.

Disposal Date

January 1, 2006

Distribution

All Servicing FSA Human Resources Offices;
State Offices relay to County Offices

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2 Processing Personnel Actions

A Federal Nature of Action Codes (NOA) for CSRS

For **VSIP/VERA**, servicing HR offices must use the following NOA codes for coding SF-52 and processing through ICAMS/NFC.

Servicing HR offices must use the following **Federal** NOA codes for **CSRS**.

IF a Federal CSRS employee is...	THEN use NOA code...	And authority code...	And add remark code...
retiring under regular CSRS optional retirement	302, Retirement – Voluntary	SQM	499, Voluntary Separation Incentive Payment (VSIP) of \$25,000 (or insert severance pay amount) under P.L. 107-296, VSIP Authority number 2006-003.
retiring under a CSRS voluntary early retirement	303, Retirement – Special Option	V3P and AZM (Insert: OPM 2006-008)	499, Voluntary Early Retirement (VERA Authority Number, 2006-008 with Voluntary Separation Incentive Payment (VSIP) of \$25,000, (or insert severance pay amount) under P.L. 107-296.
resigning	317, Resignation	RPM	499, Voluntary Separation Incentive Payment (VSIP) of \$25,000, (or insert severance pay amount) under P.L. 107-296, VSIP Authority number 2006-003.

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2 Processing Personnel Actions (Continued)

B Federal Nature of Action Codes (NOA) for FERS

Servicing HR offices must use the following **Federal** NOA codes for **FERS**.

IF Federal FERS employee is...	THEN use NOA code...	And authority code...	And add remark code...
retiring under regular FERS optional retirement	302, Retirement - Voluntary	USM	499, Voluntary Separation Incentive Payment (VSIP) of \$25,000, (or insert severance pay amount) under P.L. 107-296, VSIP Authority number 2006-003.
retiring under a FERS voluntary early retirement	303, Retirement – Special Option	USM and AZM (Insert: OPM 2006-008)	499, Voluntary Early Retirement (VERA Authority number, 2006-008 with Voluntary Separation Incentive Payment (VSIP) of \$25,000, (or insert severance pay amount) under P.L. 107-296.
resigning	317, Resignation	RPM	499, Voluntary Separation Incentive Payment (VSIP) of \$25,000, (or insert severance pay amount) under P.L. 107-296, VSIP Authority number 2006-003.

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2 Processing Personnel Actions (Continued)

C County NOA Codes for CSRS

Servicing HR offices must use the following **county** NOA codes for **CSRS**.

IF the county CSRS employee is...	THEN use NOA code...	And authority code...	And add remark code...
retiring under regular CSRS optional retirement	302, Retirement - Voluntary		499, Voluntary Separation Incentive Payment (VSIP) of \$25,000 (or insert severance pay amount) under P.L. 107-296, VSIP Authority number 2006-003.
retiring under a CSRS voluntary early retirement	303, Retirement – Special Option	V3P and AZM (Insert: OPM 2006-008)	499, Voluntary Early Retirement (VERA Authority number, 2006-008 with Voluntary Separation Incentive Payment (VSIP) of \$25,000, (or insert severance pay amount) under P.L. 107-296.
resigning	317, Resignation		499, Voluntary Separation Incentive Payment (VSIP) of \$25,000, (or insert severance pay amount) under P.L. 107-296. VSIP Authority number 2006-003. Use remark code 499 for regular retirement.

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2 Processing Personnel Actions (Continued)

D County NOA Codes for FERS

Servicing HR offices must use the following **county** NOA codes for **FERS**.

IF the county FERS employee...	THEN use NOA code...	And authority code...	And add remark code...
retiring under regular FERS optional retirement	302, Retirement - Voluntary		499, Voluntary Separation Incentive Payment (VSIP) of \$25,000, (or insert severance pay amount) under P.L. 107-296 VSIP Authority number, 2006-003.
retiring under a FERS voluntary early retirement	303, Retirement – Special Option	USM and AZM (Insert: OPM 2006-008)	499, Voluntary Early Retirement (VERA Authority number, 2006-008 with Voluntary Separation Incentive Payment (VSIP) of \$25,000, (or insert severance pay amount) under P.L. 107-296.
resigning	317, Resignation		499, Voluntary Separation Incentive Payment (VSIP) of \$25,000, (or insert severance pay amount) under P.L. 107-296, VSIP Authority number 2006-003.

E Retirement/Termination Information

Administrative fees are not required for VSIP authority. When processing a retirement or separation action in ICAMS, ensure that the “Administrative Fee” block remains blank. The “Administrative Fee” block in ICAMS is located on the Retirement/Termination Info Screen under the “Benefit Data” tab.

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2 Processing Personnel Actions (Continued)

F Processing VSIP

VSIP payments for Federal and county employees shall be processed no later than the end of the second pay period following the separation date. Servicing HR offices shall process VSIP's as a separate processing action from the retirement or separation. The effective date should be the same as the retirement/separation date.

The following codes will assist servicing HR offices in coding and processing VSIP for Federal and county employees.

SF-52	County	Federal
NOA Code	825	825
Authority	ZAA (Insert P.L. 107-296)	ZAA (Insert P.L- 107 296)
Remark Code	499, Employee received VSIP payment in the amount of \$25,000, (or severance pay amount) under VSIP authority number 2006-003	499, Employee received VSIP payment in the amount of \$25,000, (or severance pay amount) under VSIP authority number 2006-003

VSIP is processed in ICAMS using the same format as an incentive award only with different processing codes. The amount of VSIP and individual case number will be required for each VSIP processed in ICAMS.

The following codes will assist servicing HR offices in processing VSIP's.

ICAMS Screens	County	Federal
Data Control Tab	Action block: BON Reason Code block: SEP	Action block: BON Reason Code block: SEP
Award Data	Award Code: C358	Award Code C358

G Documentation of Voluntary Early Retirement

Servicing HR offices shall use the following table to determine the appropriate block to check and authorization number to enter on Schedule D of SF-2801 and SF-3107 for Federal and county employees.

IF the employee retires under voluntary early retirement...	AND is covered by...	THEN on Schedule D of...
NOA code 303	CSRS or CSRS offset	SF-2801, block 8, item I, ENTER "OPM Authority Number 2006-008".
	FERS	SF-3107, Section A, block 8, item f, ENTER "OPM Authority Number 2006-008".

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2 Processing Personnel Actions (Continued)

H Documenting OPM Waiver of FEHB Coverage Requirement

OPM has waived the 5-year requirement for continuing health insurance into retirement for eligible employees. See Notice PM-2477 for FEHB retirement eligibility requirements.

OPM will grant waivers, if servicing HR offices attach a memorandum to the employee's retirement application stating that the employee meets the requirements for a pre-approved waiver as set forth in OPM instructions dated August 30, 2005. Include the VSIP Authority 2006-003, beginning October 1, 2005, and ending November 3, 2005, in the memorandum.

I 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.

J Additional Information and Contacts

Servicing HR offices shall use the following table to obtain the appropriate contact.

Servicing HR office in...	And question is about...	THEN contact...
• State Office • KCHRO	ICAMS processing	Help Desk at 877-903-5201.
	this notice or VSIP/VERA	Omega Edwards at 202-418-8988.
State Office	FERS/CSRS benefits	Darla Hensley at 202-418-9021.

Forward retirement packages for Federal and county employees by Fedex to NFC's new mailing address at the following.

USDA, NFC
3001 Red Hawk Drive
Grand Prairie TX 75052