

**For:** FSA Servicing Human Resources Offices and State Offices

**Processing Voluntary Separation Incentive Payments (VSIP's) and Separations**

**Approved by:** Acting Associate Administrator for Operations and Management



**1 Overview**

**A Background**

Notice PM-2858 announced opportunities for eligible employees to voluntarily apply for 2 programs commonly known as VSIP or “buyout” and Voluntary Early Retirement Authority (VERA) or “early out” with an effective separation date beginning June 30, 2012.

**B Purpose**

This notice provides instructions to servicing Human Resources (HR) Offices and State Offices in processing SF-52's for retirements and resignations using the VSIP/VERA authorities granted by OPM for Federal and county employees. This includes the following:

- documenting and processing separation SF-52's for Federal and county employees
- processing VSIP SF-52's
- documenting retirement applications for Federal and county employees
- contact information for NFC and HRD
- retirement and benefit information.

**C Notification**

HRD shall notify applicants approved for VSIP and VERA by e-mail. Servicing HR Offices can provide employees with computations of VSIP 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.

<b>Disposal Date</b>	<b>Distribution</b>
February 1, 2013	All Servicing FSA Human Resources Offices and State Offices

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**1 Overview (Continued)**

**D Changes to VSIP Applications**

If, through retirement counseling, it is discovered that the employee is **not** eligible for the method of separation requested on the application (such as Optional Retirement, Voluntary Early Retirement, or resignation), but is eligible for a different separation, the benefits counselor or State administrative officer shall report the change by e-mail to both of the following:

- Denise Davila-Brownlee at **denise.davilabrownle@kcc.usda.gov**
- Nancy Brooks at **nancy.brooks@kcc.usda.gov**.

**2 Processing SF-52's**

**A Federal Nature of Action (NOA) Codes for CSRS**

For VSIP/VERA, servicing HR Offices shall use the following **Federal** NOA codes for **CSRS** when coding SF-52's and processing through EmpowHR/NFC.

<b>IF Federal CSRS employee is...</b>	<b>THEN use NOA code...</b>	<b>AND Authority code...</b>	<b>AND enter Remark code...</b>
retiring under regular CSRS Optional Retirement	302, Retirement - Voluntary	SQM	"499", "Voluntary Separation Incentive Payment of \$20,000 (or enter severance pay amount) under Pub. L. 107-296, Voluntary Separation Incentive Payment Authority Number 2011-058".
retiring under regular CSRS Voluntary Early Retirement	303, Retirement - Special Option	V3P and AZM, ENTER "OPM 2011-034"	"499", "Voluntary Early Retirement Authority Number 2011-034 with Voluntary Separation Incentive Payment of \$20,000 (or enter severance pay amount) under Pub. L. 107-296".
resigning	317, Resignation	RPM	"499", "Voluntary Separation Incentive Payment of \$20,000 (or enter severance pay amount) under Pub. L. 107-296, Voluntary Separation Incentive Payment Authority Number 2011-058".

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**2 Processing SF-52's (Continued)**

**B Federal NOA Codes for FERS**

For VSIP/VERA, servicing HR Offices shall use the following **Federal** NOA codes for **FERS** for coding SF-52's and processing through EmpowHR/NFC.

<b>IF Federal FERS employee is...</b>	<b>THEN use NOA code...</b>	<b>AND Authority code...</b>	<b>AND enter Remark code...</b>
retiring under regular FERS Optional Retirement	302, Retirement – Voluntary	USM	“499”, “Voluntary Separation Incentive Payment of \$20,000 (or enter severance pay amount) under Pub. L. 107-296, Voluntary Separation Incentive Payment Authority Number 2011-058”.
retiring under regular FERS Voluntary Early Retirement	303, Retirement – Special Option	USM and AZM, ENTER “ <b>OPM 2011-034</b> ”	“499”, “Voluntary Early Retirement Authority Number 2011-034 with Voluntary Separation Incentive Payment of \$20,000 (or enter severance pay amount) under Pub. L. 107-296”.
resigning	317, Resignation	RPM	“499”, “Voluntary Separation Incentive Payment of \$20,000 (or enter severance pay amount) under Pub. L. 107-296, Voluntary Separation Incentive Payment Authority Number 2011-058”.

**C County NOA Codes for CSRS**

Servicing HR Offices shall use the following **county** NOA codes for **CSRS** for coding SF-52's and processing through EmpowHR/NFC.

<b>IF county CSRS employee is...</b>	<b>THEN use NOA code...</b>	<b>AND Authority code...</b>	<b>AND ENTER Remark code...</b>
retiring under regular CSRS Optional Retirement	302, Retirement - Voluntary	leave blank	“499”, “Voluntary Separation Incentive Payment of \$20,000 (or enter severance pay amount) under Pub. L. 107-296, Voluntary Separation Incentive Payment Authority Number 2011-058”.
retiring under regular CSRS Voluntary Early Retirement	303, Retirement - Special Option	V3P and AZM, ENTER “ <b>OPM 2011-034</b> ”	“499”, “Voluntary Early Retirement Authority Number 2011-034 with Voluntary Separation Incentive Payment of \$20,000 (or enter severance pay amount) under Pub. L. 107-296”.
resigning	317, Resignation	leave blank	“499”, “Voluntary Separation Incentive Payment of \$20,000 (or enter severance pay amount) under Pub. L. 107-296, Voluntary Separation Incentive Payment Authority Number 2011-058”.

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**2 Processing SF-52's (Continued)**

**D County NOA Codes for FERS**

Servicing HR Offices shall use the following **county** NOA codes for **FERS** for coding SF-52's and processing through EmpowHR/NFC.

<b>IF county FERS employee is...</b>	<b>THEN use NOA code...</b>	<b>AND Authority code...</b>	<b>AND enter Remark code...</b>
retiring under regular FERS Optional Retirement	302, Retirement - Voluntary	leave blank	"499", "Voluntary Separation Incentive Payment of \$20,000 (or enter severance pay amount) under Pub. L. 107-296, Voluntary Separation Incentive Payment Authority Number 2011-058".
retiring under regular FERS Voluntary Early Retirement	303, Retirement - Special Option	USM and AZM, ENTER "OPM 2011-034"	"499", "Voluntary Early Retirement Authority Number 2011-034 with Voluntary Separation Incentive Payment of \$20,000 (or enter severance pay amount) under Pub. L. 107-296".
resigning	317, Resignation	leave blank	"499", "Voluntary Separation Incentive Payment of \$20,000 (or enter severance pay amount) under Pub. L. 107-296, Voluntary Separation Incentive Payment Authority Number 2011-058".

**E Retirement/Termination Information**

Administrative fees are **not** required for VSIP authority. When processing a retirement or resignation SF-52 in EmpowHR, ensure that the "Administrative Fee" block **remains blank**. The "Administrative Fee" block in EmpowHR is located on the Retirement/Termination Info Screen under the "Benefit Data" tab.

**F Initiating and Processing VSIP SF-52's**

Supervisors shall initiate SF-52, include accounting code in Part D, and forward form to the servicing HR Office. HRD shall provide VSIP amount for each approved recipient to the servicing HR Office. Servicing HR Offices shall input the amount in Part B, block 20.

See subparagraph 2 L for the timeframe for processing SF-52's. The following codes will assist servicing HR Offices in coding and processing VSIP's for Federal and county employees.

<b>SF-52</b>	<b>Federal and County</b>
NOA Code	ENTER " <b>825</b> ".
Authority	ZAA, ENTER " <b>Pub. L. 107-296</b> ".
Remark Code	499, Employee received VSIP payment in the amount of \$20,000 (or enter severance pay amount), under VSIP Authority Number 2011-058.

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**2 Processing SF-52's (Continued)**

**F Initiating and Processing VSIP SF-52's (Continued)**

VSIP is processed in EmpowHR using the same format as an incentive award, only with different processing codes. The amount of VSIP will be required for each VSIP processed in EmpowHR.

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

<b>EmpowHR Screens</b>	<b>Federal and County</b>
Data Control Tab	Action block, ENTER "AWD". Reason Code block, ENTER "SEP".
Award Data	Award Code, ENTER "C358".
Amount	Enter VSIP amount.
Payroll Data	Pay and/or process to W-2.
	Enter sub-Agency charged.
	Enter Accounting Station code.
	Enter accounting distribution.
	Check mail address data.

**G Documenting Voluntary Early Retirement**

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

<b>IF employee retires under VERA...</b>	<b>AND is covered by...</b>	<b>THEN in...</b>
ENTER NOA Code "303"	CSRS	SF-2801, Schedule D, block 8, item I, ENTER "OPM Authority Number 2011-034".
	FERS	SF-3107, Section A, block 8, item f, ENTER "OPM Authority Number 2011-034".

**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-2858 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 preapproved waiver as set forth in VSIP authority approved by OPM. Include in the memorandum the VSIP Authority Number 2011-058 along with the beginning and ending dates October 11, 2011, through January 31, 2013.

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**2 Processing SF-52's (Continued)**

**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**

The following table provides contacts for Servicing HR Offices.

<b>IF there are questions about...</b>	<b>THEN contact...</b>
EmpowHR processing	Help Desk at 816-823-3996.
FERS and CSRS benefits	<p>one of the following employees in the Benefits and Performance Management Section, HRD:</p> <ul style="list-style-type: none"> <li>• Dana Candler by either of the following:                             <ul style="list-style-type: none"> <li>• e-mail at <b>dana.candler@kcc.usda.gov</b></li> <li>• telephone at 816-926-6117</li> </ul> </li> <li>• Patty Gepford by either of the following:                             <ul style="list-style-type: none"> <li>• e-mail at <b>patricia.gepford@kcc.usda.gov</b></li> <li>• telephone at 816-926-6259</li> </ul> </li> <li>• Sharee Wilkins by either of the following:                             <ul style="list-style-type: none"> <li>• e-mail at <b>sharee.wilkins@wdc.usda.gov</b></li> <li>• telephone at 202-401-0584</li> </ul> </li> <li>• Michael Murphy by either of the following:                             <ul style="list-style-type: none"> <li>• e-mail at <b>michael.murphy.1@kcc.usda.gov</b></li> <li>• telephone at 202-401-0687.</li> </ul> </li> </ul> <p><b>Note:</b> The TTY numbers are:</p> <ul style="list-style-type: none"> <li>• 202-205-9057</li> <li>• 816-926-7440.</li> </ul>
VSIP Calculations	<p>Denise Davila-Brownlee:</p> <ul style="list-style-type: none"> <li>• e-mail to <b>denise.davilabrownle@kcc.usda.gov</b></li> <li>• telephone 816-926-1199.</li> </ul> <p><b>Note:</b> The TTY number is 816-926-7440.</p>

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**2 Processing SF-52's (Continued)**

**K Retirement Packages**

Servicing HR Offices shall forward retirement packages for Federal and county employees by United Parcel Services to the following address:

USDA, NFC  
 ATTN: RETIREMENT SECTION  
 FRINGE BENEFIT PROCESSING UNIT  
 13800 OLD GENTILLY ROAD  
 NEW ORLEANS LA 70129.

**L Timeframe for Processing**

The following table shows the **exact** order that actions shall be processed.

**Note:** Employees shall receive the buyout payment and lump sum for annual leave payment in calendar year 2012. Servicing HR Offices shall **not** give the separating employee the choice of when the payment is made.

<b>IF separation date is...</b>	<b>THEN for each recipient, process exactly in the following order...</b>	<b>BY...</b>
June 30, 2012	all outstanding SF-52's for separating employees, for example WGI's, awards, change in life insurance, etc.	the separation date.
	retirement or resignation SF-52	no later than July 3, 2012.
	VSIP SF-52 (the effective date will be the same as the separation date)	no earlier than the separation action shows in NFC, and no later than July 31, 2012.
	lump sum payments for annual leave	no earlier than the VSIP actions shows in NFC, and no later than August 1, 2012.
July 1 – 3, 2012	all outstanding SF-52's for separating employees, for example WGI's, awards, change in life insurance, etc.	the separation date.
	retirement or resignation SF-52	no earlier than the separation action shows in NFC, and no later than July 18, 2012.
	VSIP SF-52 (the effective date will be the same as the separation date)	no earlier than the separation action shows in NFC, and no later than August 14, 2012.
	lump sum payments for annual leave	no earlier than the VSIP actions shows in NFC, and no later than August 15, 2012.

**Note:** Each action **must** be processed successfully in EmpowHR and showing in NFC **before** beginning to process the next step.