

## **VOLUNTARY SEPARATION INCENTIVE PROGRAM (VSIP) PHASE II IMPLEMENTING INSTRUCTIONS**

Pursuant to 5 USC 5597, the Office of the Deputy Under Secretary of Defense (DUSD) for Civilian Personnel Policy has authorized expanded utilization of Voluntary Separation Incentive Pay (VSIP). These instructions will be used to implement VSIP Phase II, which governs the application of VSIP across activity and Component lines.

Within the contiguous United States and the District of Columbia, separation incentives and voluntary early retirement will be offered to create vacancies for the placement of employees who are subject to involuntary separation by RIF. Positions vacated by incentive recipients will be filled through the provisions of the VSIP Phase II, which is also referred to as “Expanded VSIP.”

### **GAINING ACTIVITY PROCEDURES**

A. **WORKFORCE SURVEY** – Potential gaining activities will survey their work forces for general interest in the VSIP. A sample survey format is provided at Attachment 1. Commanders may exclude specific skills from the VSIP, but only in compelling circumstances, e.g., when critical work of a project nature would be unreasonably disrupted. Exclusions encompassing entire organizations must be approved by the PPP Component Coordinator and coordinated with the CARE Office. **A positive response to the survey does not constitute an application for voluntary separation.**

### **B. AUTOMATED STOPPER REQUISITIONS**

1. Gaining activities will requisition the Automated Stopper to match their Survey respondents with available VSIP Phase II. There is no requirement for an exact match of skills and grades when filling positions vacated by incentive takers. If the gaining activity intends to fill a position at a grade or in a skill other than that held by the survey respondent, the requisition should be submitted accordingly. For example, an activity with a surplus of WG-11 Machinists and a shortage of WG-10 Welders may elect to submit requisitions for WG-10 Welders when WG-11 Machinists respond to the VSIP survey.
2. Requisitions will be submitted using Referral Code “V” and “VSIP” as the first four characters of the Requisition Control Number. Requisitions will be matched against the current permanent grade of Priority 1 registrants from the expansion activities. If preferred, the gaining activity can request matching against all grades by using Referral Code “X” instead of “V”.

3. Human Resources Offices (HROs) may establish periodic cutoffs for the receipt of survey responses so that as many positions as possible in the same skill may be requisitioned simultaneously. Requisitions will not be submitted for positions expected to last less than 24 months.

C. SOLICITING VSIP APPLICATIONS: When a requisition results in the referral of Priority 1 registrants the HRO will contact the survey respondents and offer them the opportunity to formally apply for the VSIP using the application at Attachment 2. The application may be withdrawn, but only until the gaining activity HRO is notified that the offer has been accepted by the PPP registrant, at which time the application is considered approved. If there are fewer PPP referrals than survey respondents, applications will be solicited in descending leave service computation date (LVSCD) order.

D. MAKING SELECTIONS: Upon receipt of a VSIP application, the gaining activity will select from among the registrants. Observing normal PPP procedures, the gaining activity will retain the right to dispute a registrant's qualifications if the issue is raised during the qualifications determination process and before the job offer is extended.

1. When a selection has been made, the HRO will contact the appropriate registering activity to determine qualifications and initiate a job offer. Standard PPP policy will apply except that (a) offers are not mandatory unless the registrant's current permanent grade is the same as that of the position being filled; and (b) offers to registrants outside the commuting area are authorized only when no equally qualified registrants within the commuting area are referred. If the number of referrals exceeds the number of VSIP applicants, the gaining activity will determine the order in which offers will be made. If there are more VSIP applicants in a given skill than offers accepted, incentives will be authorized in descending LVSCD order. When the HRO is advised by the losing activity that the offer has been accepted, the VSIP applicant is committed to voluntary separation and is entitled to receive the cash incentive.
2. If a surplus employee accepts and subsequently declines a job offer, the commitment to the VSIP applicant is still binding. In this case, withdrawal of the application will be permitted if requested. If the applicant does not withdraw the application, the position will be offered to another Priority 1 registrant. If no additional registrants were referred, the VSIP requisition will be closed, and the vacancy then becomes subject to matching against the Automated Stopper as dictated by the follow-on recruitment action.

## **LOSING ACTIVITY PROCEDURES**

A. **ELIGIBILITY FOR INCENTIVE-BASED OFFERS:** Priority 1 registrants are eligible for only one valid incentive-based offer. If a registrant who is entitled to severance pay declines an incentive-based offer outside the commuting area, the employee becomes a mandatory registrant for activities within the commuting area. Nevertheless, no further incentive-based offers will be authorized. If the position declined is within the commuting area and meets the OPM definition of a reasonable offer, the employee is no longer entitled to severance pay and is removed from the PPP. Employees who are not entitled to severance pay are removed from the PPP if they decline offers within or outside the commuting area. Since the VSIP is authorized only for avoiding involuntary separations, registrants are not eligible for placement under this program unless they can be assigned to the gaining activity without a break in service.

B. **QUALIFICATIONS DETERMINATIONS & JOB OFFERS:** Qualifications determinations, qualifications disputes, and job offers under VSIP Phase II will be processed in accordance with standard procedures outlined in the PPP Operations Manual. When extending job offers, the HRO should advise registrants that placements are contingent upon the voluntary separation of employees at the gaining activities. Each selectee must understand that until the HRO notifies the gaining activity that the offer has been accepted, the VSIP application may be withdrawn. If the application is withdrawn and there are no other VSIP applicants whose positions can be used to effect the placement, the offer will be voided and the registrant will remain in the PPP for further referrals.

Attachments:  
Work Force Survey  
VSIP Application