

## Workforce Shaping and Restructuring: VERA and VSIP

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### INTRODUCTION

As agencies conduct workforce planning, they often develop model organizations that reflect the competencies required to carry out evolving mission-critical activities. Their model organizations may not match their current structures. Consequently, they need tools to help restructure the organization and reshape the workforce to implement their model organizations. Two key tools are available to Federal agencies to help them do this – Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIP).

### VERA

VERA is an early-retirement program that helps minimize the impact of an agency's personnel and/or budgetary situation that may result in an excess of personnel. Excess personnel may be the consequence of:

- Substantial delayering
- Reorganization
- Reduction in force
- Transfer of function
- Other workforce reshaping or restructuring.

### VSIP

VSIP is a program that provides agencies with a tool to incentivize surplus or displaced employees to separate by voluntary retirement or resignation. This program facilitates agency restructuring goals and helps avoid involuntary separations.

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### **SIGNIFICANT CHANGES TO VERA AND VSIP**

With passage of the Chief Human Capital Officers Act of 2002, agencies may request OPM to grant VERA based on a need to delayer, restructure, or reshape their workforce. Agencies may also request OPM approval to provide VSIP offers to employees. VERA and VSIP may be used together to strategically align the workforce.

The statutory changes covering VERA and VSIP are significant. Executive branch agencies may, at their option, request OPM approval to offer voluntary separation incentive payments to surplus or displaced employees who separate by voluntary retirement or by resignation. Previously, agencies had to seek legislative authority independently to offer voluntary separation incentive payments.

VERA is no longer reserved for downsizing an agency, nor is it limited to 1 fiscal year. Agencies may now request approval from OPM to use VERA to help reshape the workforce and correct skill imbalances. Approval for VERA may be obtained for as long as it can be justified, making it easier for agencies to carry out long-term restructuring plans.

The following guidance contains specific provisions that must be addressed in requesting VERA and/or VSIP authority from OPM. It also contains information about employee eligibility for VERA and/or VSIP.

### **VERA Guidance**

- Section 1313 of the Chief Human Capital Officers Act of 2002 (Title 13 of the Homeland Security Act, Public Law 107-296), codified in 5 U.S.C. Sections 8336 (Civil Service Retirement System) and 8414 (Federal Employees Retirement System).
- 5 CFR section 831.114 and 5 CFR 842.213. (Also see the Federal Register, Volume 69, No. 114, June 15, 2004 for a discussion of the final rule on VERA changes based on the provisions of the Chief Human Capital Officers Act of 2002.)

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VERA Web sites:

<http://www.opm.gov/employ/vera/vera01.htm>

<http://www.opm.gov/fedregis/2004/69-061504-33281-a.htm>

<http://www.opm.gov/fedregis/2004/69-081604-50265-a.htm>

### VSIP Guidance

- Section 1313 of Chief Human Capital Officers Act of 2002 (Title 13 of the Homeland Security Act, Public Law 107-296), codified in 5 U.S.C. Sections 3521 through 3523
- Federal Register, Volume 68, No. 3, February 4, 2003, Interim Rule, Voluntary Separation Incentive Payments



VSIP Web sites:

<http://www.opm.gov/employ/html/vsi.htm>

<http://www.opm.gov/fedregis/2005/69-012705-3861-a.htm>