



DEPARTMENT OF THE NAVY
OFFICE OF THE UNDER SECRETARY
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

13 September 2002

MEMORANDUM FOR DISTRIBUTION

Subj: VOLUNTARY SEPARATION INCENTIVE PAYMENTS (VSIP) FOR SENIOR
EXECUTIVE SERVICE MEMBERS


Encl: (1) UNSECNAV memo of 12 Sep 2002

Enclosure (1) announces the opportunity to offer separation incentives to Senior Executive Service (SES) members to resign or retire as part of your efforts to reshape and restructure your organizations. Please note that this new policy does not provide interested SES members an entitlement to a VSIP offer. It is your prerogative to decide whether or not to offer VSIP, and its use should be considered carefully in light of your organization's mission requirements.

Requests for approval to offer a separation incentive must be submitted through my office and the DASN (CP/EEO) to the Under Secretary no later than 15 October 2002. The Under Secretary will have final approval for all requests for VSIP. Please note that activities must identify a GS-13/14/15 position that will be abolished for each VSIP requested. Also, once an SES position is vacated through the use of VSIP, approval to use that SES resource must be approved by the Under Secretary.

Senior executives who accept an offer of a separation incentive must be off activity rolls no later than 3 January 2003. VSIP's may be offered to any career SES member who is eligible for either optional or early retirement, or resignation. They must also be serving under an appointment without time limitation and have been continuously employed by the Federal government for at least 12 months.

Enclosure (1) provides additional information and the form to use to request approval to offer a VSIP. Please contact Mr. Bill Mann at 693-0888 if you have any questions. Enclosure (1) is also available on the S/HHRO website at <http://www.hq.navy.mil/shhro>.


John H. La Raia
Assistant for Administration

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(See next page)

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EXECUTIVE SERVICE MEMBERS

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SEP 12 2002

MEMORANDUM FOR DISTRIBUTION

Subj: VOLUNTARY SEPARATION INCENTIVE PAYMENTS FOR SENIOR
EXECUTIVE SERVICE MEMBERS

Encl: (1) Background Information
(2) Separation Incentive Request Form


Voluntary separation incentive payments (VSIPs) have been a valuable tool in our efforts to reshape and reduce the Department of the Navy (DON) general workforce. In view of current initiatives to realign and restructure functions, the DON has received approval from the Assistant Secretary of Defense (Force Management Policy) ASD (FMP) to offer separation incentives to incumbents of specific Senior Executive Service (SES) positions.

The decision to offer a VSIP should be considered carefully. Once a position is vacated through the use of VSIP, approval to redirect, refill, or establish a new requirement using that resource will have to be approved by the Under Secretary via the Deputy Assistant Secretary of the Navy (Civilian Personnel/Equal Employment Opportunity) (DASN (CP/EEO)).

Additionally, organizations must identify a GS-13/14/15 position for abolishment for each SES VSIP requested when submitted. Requests must be to the Under Secretary via the DASN (CP/EEO) with the endorsement by the respective Echelon I organizational head, e.g., Vice Chief of Naval Operations, Assistant Commandant of the Marine Corps, and Assistant for Administration, Office of the Under Secretary for the Secretariat, by 15 October 2002. The Under Secretary will review all requests for VSIP. All SES receiving a VSIP must be off the roles not later than 3 January 2003.

Senior executives are eligible for VSIP provided they are (1) eligible for voluntary early retirement, optional retirement or resignation, (2) serving under an appointment without time limitation and (3) have been continuously employed by the Federal Government for at least 12 months. Re-employed annuitants are not eligible for a buyout.

Enclosure (1) provides specific VSIP background. Enclosure (2) must be completed for all requests. The endorsed list of requests will be forwarded to the Executive Personnel and Leadership Development Division, Office of Civilian Human Resources. If you have questions, please contact Rodney Markham on (202) 764-0650.

A handwritten signature in black ink that reads "Susan Morrisey Livingstone". The signature is written in a cursive, flowing style.

Susan Morrisey Livingstone
Under Secretary of the Navy

Distribution:

- VCNO
- ACMC
- AAUSN

Voluntary Separation Incentive Payment (VSIP) Background

A. Definition

Voluntary Separation Incentive Payment (VSIPs), also known as "buyouts" is a lump sum payment of up to \$25,000 paid to encourage permanent employees to resign or retire. The incentive applies only to voluntary separations, i.e., early retirement, optional retirement and resignation. VSIPs can not be used with Discontinued Service Retirements since these retirements are involuntary actions.

B. Discussion

Voluntary Early Retirement Authority (VERA) has been granted by the Department of Defense (DoD) to be used in conjunction with the offer of VSIP in those cases where an individual does not meet the age and service requirements of optional retirement. SES appointees who accept VSIP offers must be off the roles by 3 January 2003.

The separation incentive is the lesser of:

1. \$25,000.00 OR
2. An amount equal to the payment civilians would be entitled to receive under the severance pay formula; i.e., (1) one week's pay at the rate of basic pay received immediately before separation for each year of civilian service up to and including 10 years, and 2 weeks basic pay at the rate for each year of civilian service beyond 10 years, and (2) an age adjustment allowance for each year by which your age exceed 40 years, at the time of separation. Incentive pay cannot exceed 1 year's salary at the rate of pay immediately preceding separation.

C. Eligibility Requirements

The organizational head may offer VSIPs to any career SES who meet the following:

1. Must have been employed by the federal government for a continuous period of at least 12 months
2. May not be a reemployed annuitant

3. May not have a pending or approved application for disability retirement

D. Documentation Requirements

Each VSIP request must include the following information:

1. Echelon 1 endorsement (ACMC, VCNO, or AAUSN)
2. SES Position data: title and organization
3. Incumbent data: name, salary, two-year bonus history, two-year Presidential Rank Award history, early or optional retirement, DOB, and years service
4. Offsetting abolished position (must be either 13, 14, or 15): PD#, effective date of abolishment, title, organization, grade level
5. Date SES VSIP request would be off rolls: incumbent can vacate the SES position no earlier than date VSIP approved and must vacate no later than 3 January 03

E. Restrictions

Former Federal employees who return to work for the government after receiving a VSIP may be required to repay an amount equal to the VSIP amount received, including Federal taxes that were withheld.



DEPARTMENT OF THE NAVY
(DASN(CP/EEO))
EXECUTIVE PERSONNEL & LEADERSHIP DEVELOPMENT

VOLUNTARY SEPARATION INCENTIVE PAYMENT (VSIP)
ENDORSEMENT FORM

SES Position Information		
Title: _____		DNES#: _____
Organization: _____		
Proposed VSIP Effective Date (no later than 3 January 2003): _____		
SES Incumbent Information		
Last Name: _____		First Name _____
SES Performance Bonus Amount: 2001: _____		2002: _____
Presidential Rank Award History: 2001: _____		2002: _____
Has the incumbent been employed by the federal government for a continuous period of at least 12 months? <input type="checkbox"/> Yes <input type="checkbox"/> No	Is the incumbent a reemployed annuitant? <input type="checkbox"/> Yes <input type="checkbox"/> No	Is the incumbent serving under an appointment without time limitation? <input type="checkbox"/> Yes <input type="checkbox"/> No
Position Abolishment Information (must be identified PRIOR to VSIP review)		
Position Description #: _____		Organization: _____
Grade level: <input type="checkbox"/> GS-13 <input type="checkbox"/> GS-14 <input type="checkbox"/> GS-15 Effective Date: _____		
Endorsements		
Organizational Head		
Signature _____		Date _____
Echelon I (UNSECNAV-VCNO-ACMC)		
Signature _____		Date _____
Under Secretary of the Navy Approval		
Signature _____		Date _____