



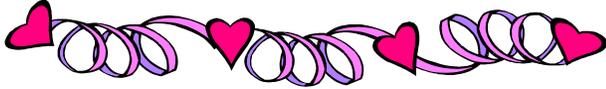
**JOINT READINESS TRAINING CENTER AND FORT POLK  
CIVILIAN PERSONNEL ADVISORY CENTER  
FORT POLK, LOUISIANA 71459-5341**

*“ARMY CIVILIAN PERSONNEL PROFESSIONALS--  
HELPING LEADERS MEET THE MISSION”*



**CPAC INFORMATION BULLETIN  
NUMBER 33**

**FEBRUARY 2001**



**THE DEPARTMENT OF THE  
ARMY IS PLEASED TO  
OFFER "THE WORK  
NUMBER FOR EVERYONE©"**

Effective December 4, 2000, all requests for employment and salary information will be directed to "The Work Number for Everyone©", an automated employment verification service that allows you to have your employment and salary verified within a matter of minutes. This fast, secure service is used for mortgage applications, reference checks, loan applications, and apartment leases, or anything you need that requires proof of employment. It is quick, accurate, and best of all, it's easy.

"The Work Number for Everyone©" will speed up this process by giving you and your verifier access to employment information 24 hours a day, 7 days a week. "The Work Number for Everyone©" is a cost effective and environmentally smart way for Department of the Army employees to have their employment verified confidentially.

What are the benefits of this service?

- Faster, more efficient, and more complete responses to employment verification requests
- Increased security of sensitive salary information

- Standardized verification procedures
- An audit trail to insure proper verification procedures
- Longer hours of accessibility to employment verification information
- Dedicated Client Service Center

You may visit the web site on CPOL. From the CPOL homepage at <http://cpol.army.mil> click on "Links" at top of the page; then click on "[Employment Verification Service TALX](#)" for more information, or call 1-800-996-7566 to speak with a Work Number Customer Service Representative.



**COMMERCIAL  
ACTIVITIES  
UPDATE**

As part of our continuing effort to keep the workforce informed, this information serves as an update regarding the Commercial Activities (CA Program):

**CA Study Decisions - Results within  
FORSCOM**

Of the 16 CA studies completed to date, 8 remained in-house and 8 were converted to contract performance. These results are consistent with historical experience that shows approximately half of the time in-house wins --

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contractors win the other half. Estimated annual savings are approximately \$50 million, based on Final Decision Reports and cost comparison information.

Riley Child Dev (27civ/26NAF)	In-house
HQ FC DCSC4, Admin Svcs (30 civs)	Contract
Campbell Fam Hsg Maint(26 civ)	Contract
Carson DOL (27 mil/329 civ)	Contract
Hood Range Maint (11 mil/118 civ)	Contract
Drum Readiness Bus Ctr (27 mil/131 civ)	In-house
McPherson DIS (DOL/DPW)((291 civ)	Contract
Riley DPW (197 civ)	In-house
Lewis DOIM Info Mgmt (6 mil/10 civ)	In-house
Bragg DOL (500 civ)	Contract
Stewart DPW (304 civ/0 mil)	Contract
Lewis CIF (19 civ)	Contract
Drum DPW (1 mil/299 civ/36 NAF)	In-house
Drum DOL (275 civ)	In-house
Kelly Whole Base (105 civ)	In-house
Bragg Tng Spt Svcs, Rec Libr, Ed Spt (55 civ)	In-house

### **Status of Fort Polk CA Study**

The Fort Polk Solicitation was formally issued on 29 January 2001 with proposals scheduled to be provided on 2 April 2001. The date of 2 April 2001 may have to be changed based upon review of specifications by Government personnel, questions received from the contractors, and adjustments identified by AAA. If a new date is established for submission of proposals, a modification will be made to the solicitation and posted on the AACC web site ([www.forscom.army.mil/aacc](http://www.forscom.army.mil/aacc)) where the solicitation is currently posted.

On 23-24 February 2001, a site visit for the interested commercial firms was held so they could obtain a better understanding of the magnitude of the work they are considering. The site visit covered the South and North Fort Polk Garrison as well as a visit to the ranges such as the MOUT & MPRC.

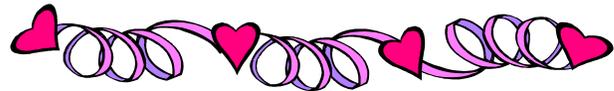
### **Phase I RIF Planning Major Events**

In our January 2001 edition of the CPAC Information Bulletin No. 32, we advised you of the actions being taken by your CPAC and its Civilian Personnel Operations Center (CPOC) partners to prepare the Command to implement the CA decision.

Our next major event will take place in March 2001. We will be canvassing the workforce to determine those employees interested in Voluntary Separation Incentive Pay (VSIP), Voluntary Early Retirement (VERA), and Voluntary RIF (VRIF). The purpose of the survey is threefold. First, the data collected will be analyzed to determine where to target VERA and/or VSIP. Secondly, the results of the analysis will be utilized in conducting the MOCK RIF. Finally, the data will be used to prepare the required Realignment Fact Sheet and VERA Request to be submitted to DA in November 2001.

While this is only a survey of interest, we can not over emphasize the importance of the results. Consequently, all interested employees should watch for the Civilian Personnel Bulletin, read the instructions carefully, indicate your interest and return the survey to the CPAC by the deadline.

To repeat, this is only a survey for employees to indicate interest. The window to receive applications cannot be opened until a request for VERA has been made.



## **VOLUNTARY SEPARATION INCENTIVE PAY (VSIP) WHAT IS IT?**

VSIPs (also know as buyouts) are lump sum payments of up to \$25,000 paid to encourage permanent employees to resign or retire. Buyouts are targeted at employees in specific grades, series, or locations to help avoid reductions-in-force or minimize involuntary separations due to reduction-in-force (RIF), base closure, transfer of function, reorganization or other similar action. The incentive applies only to voluntary separations (i.e., early retirement, optional retirement and resignation). DOD VSIP authority is established in Title 5, United States Code, Section 5597, Separation Pay. The authority is effective through September 30, 2001 (Section

1106, Public Law 105-85, National Defense Authorization Act for Fiscal Year 1998 see references located at <http://cpol.army.mil/library/armyregs/memos98/vera98.html>).

### **WHEN ARE BUYOUTS OFFERED?**

Generally in DOD, activities must offer buyouts to their employees at least 30 days before they issue RIF notices.

### **WHO IS ELIGIBLE FOR A BUYOUT?**

Employees are eligible for VSIP provided they are (1) U.S. citizens, an exception exists for non-U.S. citizens employed under the Panama Canal Employment System, (2) eligible for either voluntary early retirement, optional retirement or resignation; (3) serving under an appointment without time limitation and (4) have been continuously employed by the Federal Government for at least 12 months. Re-employed annuitants are not eligible for a buyout.

### **ARE EMPLOYEES RECEIVING SPECIAL SALARY RATES ELIGIBLE FOR BUYOUTS?**

Yes, employees being paid under special salary rates or employed under a Direct Hire Authority are eligible for buyouts provided an equal number of special salary rate or direct hire positions are eliminated.

### **CAN AN EMPLOYEE WHO DECLINES A TOF RECEIVE A VSIP?**

Employees who decline an offer of a position due to a Transfer of Function (TOF) are not eligible for a VSIP. The rationale for this determination is that it is contrary to the intent of the law to pay an incentive to an employee to leave Federal service when s/he has declined an offer of continued equivalent employment, even if that employment is outside of the commuting area. Further, an employee who

declines to transfer with his/her position as a result of a TOF cannot be offered a VSIP to create a vacancy to place another employee scheduled for involuntary separation who is willing to move with the transferring function. The rationale for this determination is that once an employee declines an offer to transfer, either through the canvass or TOF letter, the employee relinquishes ownership over that position and the Army is free to offer it to an employee willing to transfer to the new duty location. The employee declining the transfer will be separated through adverse action, not RIF procedures.

### **CAN ANY ELIGIBLE EMPLOYEE RECEIVE A VSIP?**

VSIP is not automatic for employees. Approval of VSIP applications is contingent upon management's ability to identify how civilian reductions can be minimized and cost savings achieved through the use of VSIP authority. These decisions will be made locally. Approval of an incentive is limited to situations that clearly show it is cost effective and will avoid or minimize the need for involuntary separations.

### **WHAT CONDITIONS MUST THE PERMANENT EMPLOYEE MEET TO RETIRE/RESIGN?**

a. Optional Retirement: Employees are eligible for optional retirement if they (1) have at least 30 years of service at age 55 (or Minimum Retirement Age, MRA, if the employee is covered by the Federal Employee Retirement System (FERS)); (2) have at least 20 years of service at age 60; or (3) have at least 5 years of service at age 62. Additionally, FERS employees are eligible to retire if they have at least 10 years of service and are at or above their MRA. FERS employees please note that the MRA is never less than age 55.

b. Voluntary Early Retirement (VERA): To be eligible for voluntary early retirement, an employee must have 20 years of service at age

50 or 25 years of service at any age. For employees covered by the Civil Service Retirement System (CSRS), there is a 2 percent reduction in their annuity for each year they are under age 55 at the time of retirement. This annuity reduction is permanent and will not increase when the CSRS annuitant reaches age 55. FERS employees are not subject to this 2 percent reduction in annuity. NOTE: VERA must be specifically authorized for use. Employees who meet the above criteria are not eligible to retire under a VERA unless it has been authorized for their Reduction in Force (RIF) situation.

c. Voluntary Resignation: An employee, regardless of the retirement system under which he/she is covered, may resign at any time.

### **WHAT HAPPENS IF THE NUMBER OF APPLICANTS EXCEEDS BUYOUT OFFERS?**

If the number of eligible VSIP applicants exceeds the number of offers available, applications will be grouped by occupations and within each group, offers will be made in seniority order using the service computation date for leave. Veteran's preference and tenure are not considered in this process.

### **WHO APPROVES VSIP?**

The Assistant Secretary of the Army (Manpower and Reserve Affairs) re-delegated VSIP authority (excluding Senior Executive Service positions) to Army Major Commanders and Heads or Independent Reporting Activities. This authority may be re-delegated to the lowest practical level (Reference DAPE-CPE message, 171955Z Feb 94, subj: Delegation of Authority - RIF and VSIP located at <http://cpol.army.mil/library/armyregs/memos/01860153.html>)



### **WHAT IS THE INCENTIVE AMOUNT?**

The separation incentive is the lesser of:

a. \$25,000.00 OR

b. An amount equal to the payment you 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.

### **HOW IS THE SEPARATION INCENTIVE PAID?**

It is paid in a lump sum at the time of separation (less FICA/Medicare taxes, federal income tax withholding, and applicable state and local taxes).

### **ARE THERE ANY RESTRICTIONS ASSOCIATED WITH THE RECEIPT OF VSIP?**

Yes, there are restrictions on re-employment and requirements to repay the VSIP if re-employed.

Since VSIP reemployment and repayment provisions for Department of Defense employees have been affected by several different laws and regulations, the DOD Field Advisory Services Office has provided the following guidance:

- 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. These VSIP repayment requirements have caused some confusion.

- When DOD began its VSIP program in 1993, DOD policy (which remains in effect today) prohibited the reemployment of VSIP takers within DOD for one year after separation, unless a waiver was granted at the Component Assistant Secretary level; however repayment was not an issue. Beginning March 30, 1994, with the passage of the Federal Workforce Restructuring Act of 1994, VSIP recipients who separated on or after the date of its passage were required to pay back the incentive if re-employed anywhere in the Federal Government within five years of their separation. For the Executive Branch, the Office of Personnel Management (OPM) has the authority to grant waivers to the repayment requirement, but only under very limited conditions.

- Both the DOD one-year reemployment provision and the repayment legislation use a very broad definition of reemployment. Any kind of appointment is covered, including temporary, term, and seasonal, unless working without pay (the DOD Authorization Act for FY97 allows DOD employees to return to Federal employment within the five-year period without repayment if employed in a non-compensated category). The DOD one-year reemployment prohibition also covers personal services contracts. However, the repayment provision does not apply to DOD incentive takers who are re-employed on personal services contracts. A definition of personal services contracts follows at the end of this section.

- Simply stated:

- A DOD employee who took VSIP prior to March 30, 1994, was not allowed by DOD policy to return to work in DOD for one year after separation (including on a personal services contract) unless a waiver was granted by the Component Assistant Secretary level. This reemployment prohibition did not apply to DOD employees returning to work in any other Federal agency and there were no repayment requirements. (Source - Civilian Assistance and Re-Employment (CARE) Program Implementing Instructions, June 1, 1993).

- An employee who takes a DOD or other Agency VSIP on or after March 30, 1994, must repay the incentive if he or she returns to the Federal Government within five years unless a waiver is granted by the applicable waiver granting authority. For the Executive Branch, the waiver granting authority is OPM. (Source - Federal Workforce Restructuring Act of 1994).

- A DOD employee who takes a VSIP on or after March 30, 1994, is not allowed by DOD policy to return to DOD for one year after separation even if they repay their incentive unless a waiver is granted by the applicable Component Assistant Secretary. (Source - Federal Workforce Restructuring Act of 1994 and CARE Program Implementing Instructions, June 1, 1993).

- A DOD incentive taker may return to non-compensated Federal employment on or after September 23, 1996, without repaying the incentive, if the appointing official waives the repayment requirement. However, the one-year reemployment prohibition in DOD still applies unless there is a waiver at the Component Assistant Secretary level. (Source - The DOD Authorization Act for FY97 and CARE Program Implementing Instructions).

Servicing Civilian Personnel Advisory Centers (CPACs) are required to inform prospective VSIP takers of these reemployment limitations and repayment requirements. CPACs must also inform incentive takers of the repayment requirements before they are offered paid employment in DOD. If a VSIP taker is re-employed, the Civilian Personnel Operations Center must contact its respective payroll (DFAS) office so that repayment procedures can be initiated. This requirement applies even if the VSIP was paid by another Federal agency; DOD is still responsible for collecting the repayment and forwarding it to the appropriate Federal Agency. Conversely, other Federal agencies are responsible for collecting repayments and forwarding them to DOD when they reemploy our former incentive takers.

**WHAT CONSTITUTES A  
PERSONAL SERVICES  
CONTRACT FOR REPAYMENT  
PURPOSES?**

The following is an excerpt from Title 48, Code of Federal Regulations, Section 37.104 that defines and describes personal services contracts.

(a) A personal services contract is characterized by the employer-employee relationship it creates between the Government and the contractor's personnel. The Government is normally required to obtain its employees by direct hire under competitive appointment or other procedures required by the civil service laws. Obtaining personal services by contract rather than by direct hire, circumvents those laws unless Congress has specifically authorized acquisition of the services by contract.

(b) Agencies shall not award personal services contracts unless specifically authorized by statute (e.g., 5 U.S.C. 3109) to do so.

(c)(1) An employer-employee relationship under a service contract occurs when, as a result of

(i) the contract's terms or

(ii) the manner of its administration during performance, contractor personnel are subject to the relatively continuous supervision and control of a Government officer or employee. However, giving an order for a specific article or service, with the right to reject the finished product or result, is not the type of supervision or control that converts an individual who is an independent contractor (such as a contractor employee) into a Government employee.

(2) Each contract arrangement must be judged in the light of its own facts and circumstances, the key question always being: Will the Government exercise relatively continuous supervision and control over the contractor personnel performing the contract? The

sporadic, unauthorized supervision of only one of a large number of contractor employees might reasonably be considered not relevant, while relatively continuous Government supervision of a substantial number of contractor employees would have to be taken strongly into account.

(d) The following descriptive elements should be used as a guide in assessing whether or not a proposed contract is personal in nature:

(1) Performance on site.

(2) Principal tools and equipment furnished by the Government.

(3) Services are applied directly to the integral effort of agencies or an organizational subpart in furtherance of assigned function or mission.

(4) Comparable services, meeting comparable needs, are performed in the same or similar agencies using civil service personnel.

(5) The need for the type of service provided can reasonably be expected to last beyond one year.

(6) The inherent nature of the service, or the manner in which it is provided reasonably requires directly or indirectly, Government direction or supervision of contractor employees in order to:

(i) Adequately protect the Government's interest;

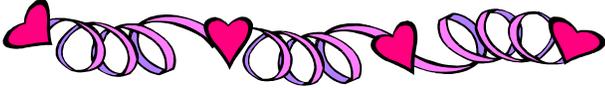
(ii) Retain control of the function involved; or

(iii) Retain full personal responsibility for the function supported in a duly authorized Federal officer or employee.

(e) When specific statutory authority for a personal service contract is cited, obtain the review and opinion of legal counsel.

(f) Personal services contracts for the services of individual experts or consultants are limited by the Classification Act. In addition, the Office of Personnel Management has established requirements which apply in acquiring the personal services of experts or consultants in this manner (e.g., benefits, taxes, conflicts of interest). Therefore, the contracting

officer shall effect necessary coordination with the cognizant civilian personnel office.



## ARTICLES FOR BULLETIN

If you have any suggestions on topics or issues that you would like addressed in future bulletins, please submit them to one of the following:

1. Civilian Personnel Advisory Center  
ATTN: Bill R. Chance
2. [romerok@polk-emh2.army.mil](mailto:romerok@polk-emh2.army.mil)
3. Call 531-4020/4708

Suggestions will be reviewed and addressed if at all possible.

**DONALD R. MALLETT**  
Director, Civilian Personnel  
Advisory Center

