

**GUIDELINES FOR PROCESSING VOLUNTARY EARLY
RETIREMENT FOR EMPLOYEES COVERED BY THE VER PROVISION OF THE APWU
CONTRACT EXTENSION**

I. VOLUNTARY EARLY RETIREMENT (VER)

The Postal Service has entered into agreement with the American Postal Workers Union (APWU), AFL-CIO to offer VER to employees covered by the VER provision of the APWU contract extension. The Postal Service has approval from the Office of Personnel Management under its Voluntary Early Retirement Authority to offer VER for these employees. A list of these employees will be provided to Area Managers of Human Resources (HR) and the Mgr HRSSC as soon as they become final. The VER effective date for this VER offer will be December 31, 2005

II. DEFINITION OF ADDITIONAL EMPLOYEES

Additional Employees, as stated in the contract provision, are those employees who:

- were covered by the first APWU VER but did not retire under VER for any reason, and
- submitted their names to the APWU under the provisions on the December 19, 2003 Memorandum of Agreement after January 9, 2004.

III. ELIGIBILITY/ANNUITY REQUIREMENTS

A. Age and Service Requirements

To be eligible to retire under this VER offer, the employee must meet one of the following age and service requirements:

- Be age 50 or older as of **March 1, 2004** with at least 20 years of creditable service* as of **February 29, 2004**; or
- Have at least 25 years of creditable service* as of **February 29, 2004**; or
- Be a FERS employee, eligible for a reduced or postponed minimum retirement age (MRA)+10 retirement with at least 20 years of creditable service* as of **February 29, 2004**.

*Creditable service must include at least five years of creditable civilian career and non-career service. Military service is also creditable once the five-year creditable civilian service requirement has been met.

B. Covered Position Requirement

Any position occupied by an "additional employee" as described in Section II.

C. Excluded Employees

- Employees who have not been continuously on the agency's rolls since July 5, 2005
- Employees serving in time-limited appointments
- Employees in receipt of a decision of involuntary separation for misconduct or unsatisfactory performance. HRSSC must request information from District Labor Relations.

IV. EMPLOYEE IDENTIFICATION

Employee Listings

All career employees covered by the VER provision of the APWU contract extension and who are covered by either the Civil Service Retirement System (CSRS) or Federal Employees Retirement System (FERS) (retirement plan codes 1, 5, 8 or A) and who meet the eligibility criteria in Section III., A., have been identified based on current CMS data. A listing of these eligible employees will be electronically transmitted to all area and district HR managers on September 30, 2005.

V. VERIFYING ELIGIBILITY THROUGH THE RTR SYSTEM

Ensure that "additional employees" have been entered into the RTR system.

Personnel offices/HRSSC are responsible for ensuring that employees meet the age and service requirements for this VER offer as specified in Section III., A., of these guidelines. You must remember that RTR determines what the record should be, and if a retirement plan code error is found, deeper review is needed. An employee should NOT be declared ineligible due to RTR results until after HQ Compensation is notified of the error and the district is advised of appropriate action.

Errors in Retirement Computation Dates (RCD) must be corrected immediately in CMS and a determination made as to whether the employee still meets the creditable service requirement for this VER offer [see SOP 21, Correcting Retirement Computation Date (RCD) Errors (NOA 882)]. Errors in retirement plan code must be reported to HQ [see SOP19, Correcting Retirement Plan Code Errors (NOA 008 and NOA 803)]. Employees must be advised of any corrections made to their personnel records.

Personnel offices/HRSSC are reminded that employees legally attain a given age on the day before their birthday. (See Compensation Letter 92-020.) Under this VER offer, employees must meet the eligibility requirements on or before February 29, 2004; therefore, based on the 'birthday rule', employees whose 50TH birthday falls on March 1, 2004, would be eligible for this VER offer.

VI. VER PROCESSING

A. Responding to Employee Requests

1. VER Eligible Employees

Personnel offices/HRSSC must provide the VER Offer Letter (Attachment C) to all eligible employees who are covered by the VER provision of the APWU contract extension. A VER offer package will be prepared and delivered to their home address of record no later than **October 31, 2005**, informing them of their eligibility for the VER offer. All VER offer packages returned will be hand delivered to the employees' work location by their supervisor. The VER offer package includes:

- VER Offer Letter (Attachment C)
- Acknowledgement of Irrevocability of Voluntary Early Retirement Decision (Attachment F)
- Retirement History screen print or the Retirement Plan Correction Report from RTR
- Retirement Application (SF 2801 for CSRS employees or SF 3107 for FERS employees) with December 31, 2005 completed as the retirement effective date and a return envelope.
- Annuity estimate.
- Information about retirement counseling.

Certain sections of the VER offer letter must be completed prior to mailing. Employees who are sent offer packages must submit a completed retirement application during the established window period if they choose to take the VER. After the close of the window period, their decision to retire becomes irrevocable by date in the timeline. (Attachment B)

2. Approval Notice

After the close of the VER window period, employees who are approved for VER must be notified by a VER Approval Notice. (Attachment D)

3. Ineligible Employees

Employees who submitted a retirement application, and who do not meet the eligibility requirements in Section III., A., or who are not covered by the settlement agreement, must be notified using a Disapproval Letter (Attachment E) as soon as local personnel becomes aware of the information.

Employees who have submitted their names to APWU as provided by the December 19, 2003, Memorandum of Agreement regarding VER, and are:

- Optionally eligible or will become optionally eligible by December 31, 2005 (see spreadsheet tab **Optionally Eligible 12/31/05**); **or**
- Not VER eligible as of February 29, 2004 (see spreadsheet tab **Not VER Eligible 2/29/04**)

must be notified by (Attachment G) VER Status.

Ineligible employees identified by Eagan or OPM must NOT be returned to the rolls until HQ Compensation is notified and instructions are provided. It is mandatory that Headquarters be notified before any action is taken for these employees.

B. Group Retirement Counseling Sessions

Personnel offices/HRSSC must conduct a series of group retirement counseling sessions during the VER window period. Eligible employees, who are provided a VER offer letter, must be notified of scheduled sessions at the time they are given their offer letter. Employees must be encouraged to review the information provided in their offer package prior to attending the counseling sessions and to bring their annuity estimates and RTR service history worksheets with them when attending the sessions. These sessions must be structured along the lines of that provided in EL-502, CSRS Retirement Guide, and include information for FERS employees, including the reduction and postponement options for MRA+10, FERS annuity supplement, etc.

During these sessions, it must be emphasized that CSRS employees who retire under this VER offer will have their annuities reduced by two percent (2%) for each year (or one-sixth of one percent for each full month) they are under the age of 55. This reduction also applies to the frozen CSRS component for those employees who transferred to FERS. There is no reduction to the FERS portion of the annuity for those who transferred, or to a FERS annuity without a frozen CSRS component, regardless of the employee's age.

At a minimum, Personnel offices/HRSSC must cover the eligibility requirements for the VER offer, creditable service including civilian and military service, reduction for early retirement, Social Security benefits including the impact of the Windfall Elimination and Public Pension Offset provisions, and the impact of Social Security benefits on CSRS Offset employees, health and life insurance, thrift savings plan, and the process for submitting retirement applications under the VER.

Additional information available on <http://www.usps.com/vera> has VER information as well as links to other helpful sites.

C. Processing Retirement Applications

Upon receipt of a completed retirement application (SF 2801 for CSRS employees or SF 3107 for FERS employees) and the Acknowledgement of Irrevocability of Voluntary Early Retirement Decision (Attachment F), Personnel offices/HRSSC must follow the instructions and processing steps outlined in SOP 42, Counseling for and Processing an Optional Retirement (NOA 302). Since the employee's eligibility has already been determined through the RTR system, Personnel offices/HRSSC must begin with item 6 of SOP 42. Keep in mind that certain materials and information may have already been provided to and/or received from the eligible employee and that the employee's retirement effective date has been predetermined.

D. Processing Personnel Actions

See CMS Update 2003-39 (Attachment H) for instructions for processing personnel actions. For this VER offer, the OPM Authority Numbers and dates are:

- **CSRS**
5 USC 8336(d)(2)
OPM authority number 2005-098
Duration: September 12, 2005 to December 31, 2005

- **FERS**
5 USC (8141(b)(1)(B))
OPM authority number 2005-098
Duration: September 12, 2005 to December 31, 2005

E. Eagan IBSSC Reporting Requirements

All retirement cases must be sent to the Eagan IBSSC no later than 10 days after the retirement effective date.

F. Federal Employee Health Benefits (FEHB) Participation Requirements during VER

The OPM has issued a Benefits Administration Letter (BAL 04-208) available at www.opm.gov/asd/pdf/2004/04-208.pdf pertaining to employees who elect a retirement based on the VER authority. OPM has always had the authority to waive the 5-year participation requirement for continuing FEHB into retirement per their determination. This BAL announces that employees retiring under a VERA can now get **pre-approved** waivers of this requirement.

OPM will grant pre-approved waivers to employees who have been:

- Covered under the FEHB Program continuously since the beginning date of the agency's latest statutory OPM-approved VERA;
AND
- Retire during the OPM-approved VERA period; **AND**
- Take an early optional retirement; **OR**
- Take a discontinued service retirement based on an involuntary separation due to RIF, directed reassignment, reclassification to a lower grade, or abolishment of position.

When an employee meets these requirements, they do not need to request a waiver. Instead, agencies must attach a memorandum to the employee's retirement application stating that the employee meets the requirements for a pre-approved waiver by OPM as set forth in OPM's specific instructions to the agency. You must provide the VERA approval number that OPM assigned to your agency, and the beginning and ending dates of your agency's VERA period (Section IV of these guidelines).

Employees who retire as a result of a VER and do not qualify for a pre-approved FEHB waiver should be given the directions on page 3 of BAL 04-208 to personally request a waiver from OPM which will be decided on a case-by-case basis.

G. Employees on Active Military Duty

Employees who are on active military duty will receive information regarding the APWU VER provision, at their home address of record. If these employees respond to these communications in accordance with the written instructions, they will be processed along with other interested employees. If they do not respond, these employees must be notified of any opportunities (VER, vacancy announcements, bidding opportunities, etc.) that would have covered them when they return to work, and be provided 30 calendar days to act on these opportunities. If they accept a VER offer, the Personnel offices/HRSSC will assign the VER effective date that is associated with the VER offer. If the VER effective date has passed, the VER effective date will be the last day of the month of the offer acceptance.

H. OPM Reporting

The Postal Service is required to provide OPM with VER reports. To that end, Personnel offices/HRSSC must update the employee spreadsheet by indicating the number of VER applications received as indicated in the timeline (Attachment B) to CSFP.

I. Index of Attachments

- Attachment A APWU VER Guidelines
- Attachment B Implementation Timeline
- Attachment C APWU VER Offer Letter
- Attachment D Approval Notice
- Attachment E Disapproval Letter
- Attachment F Acknowledgement of Irrevocability
- Attachment G VER Status
- Attachment H CMS Update 2003-39