

LABOR RELATIONS



December 12, 2005

William H. Young
President
National Association of Letter
Carriers
100 Indiana Avenue NW
Washington, DC 20001-2144

Dear Bill:

The Office of Personnel Management (OPM), under its Voluntary Early Retirement Authority (VERA), has approved the Postal Service's request to offer VERA to career employees in the Louisiana and Mississippi Districts.

The enclosed documents include the announcement to be posted for eligible employees, processing guidelines, a table outlining the timeline for this VERA offer, and correspondences for notifying eligible employees and for responses from such employees.

If you have questions concerning this matter, please contact Alan Moore at (202) 268-7795.

Sincerely,



A.J. Johnson
Manager
Labor Relations Policy and Programs

Enclosures

CMS Update 2003-39

Subject: Processing NOA 303 (VERA) Actions

Processing NOA 303 (VERA) Actions

CMS Update 2002-35 advised that employees must be in a non-bargaining career position (full time, part time regular, or part time flexible) to be eligible for Voluntary Early Retirement (VER), NOA 303. With the latest Voluntary Early Retirement Authority (VERA), bargaining career employees are now eligible.

CMS has been modified to allow NOA 303 actions for all career employees.

Reminder: When generating NOA 303, enter free form remarks based on the retirement plan code as follows:

- **CSRS and CSRS Offset**
RET 5 USC 8336(d)(2), OPM office auth no. (xxxx-xxx) dated (xx/xx/xx)
- **FERS and FERS/CSRS Frozen**
RET 5 USC 8414(b)(1)(B), OPM office auth no. (xxxx-xxx) dated (xx/xx/xx)

You must include the correct OPM authorization number and date.

Please ensure that all CMS users and HR managers have access to this information.

Human Resources Information Systems Support Services

**GUIDELINES FOR PROCESSING VOLUNTARY EARLY RETIREMENT (VER) FOR
EMPLOYEES COVERED BY HURRICANE KATRINA VER AUTHORITY**

I. VOLUNTARY EARLY RETIREMENT (VER)

The Postal Service has received approval from the Office of Personnel Management (OPM) under its Voluntary Early Retirement Authority (VERA) to offer VER to career employees in the Louisiana and Mississippi Districts. Area Managers Human Resources (HR) has the authority and responsibility to determine the positions and locations that will be covered by this VER offer. A list of these employees will be provided to Area Managers of (HR) as soon as they become final. The VER effective dates for *full-time employees* for this VER offer will be **January 31, 2006, February 28, 2006 or March 31, 2006**. The VER effective date for *part-time employees (PTF and PTR)* for this VER offer will be **March 31, 2006**.

II. DEFINITION OF COVERED EMPLOYEES

- Louisiana District
 - All VER eligible career employees. Southwest Area Human Resources (HR) will establish a maximum allowable VERs by installation and position after Statements of Interest (SOIs) are returned.
- Mississippi District
 - All VER eligible career employees in Zip Area 395. Southeast Area Human Resources (HR) will establish a maximum allowable VERs by installation and position after Statements of Interest (SOIs) are returned.

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 **April 1, 2006** with at least 20 years of creditable service* as of **March 31, 2006**; or
- Have at least 25 years of creditable service* as of **March 31, 2006**; 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 **March 31, 2006**.

*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. Excluded Employees

- Employees who have not been continuously on the agency's rolls since October 5, 2005
- Employees serving in time-limited appointments
- Employees in receipt of a decision of involuntary separation for misconduct or unsatisfactory performance.

IV. EMPLOYEE IDENTIFICATION

All career employees covered by Hurricane Katrina MOU in the Louisiana and Mississippi Districts 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 affected area and district HR managers on **December 9, 2005**.

V. VERIFYING ELIGIBILITY THROUGH THE RTR SYSTEM

Personnel offices 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 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 **March 31, 2006**; therefore, based on the 'birthday rule', employees whose 50TH birthday falls on **April 1, 2006**, would be eligible for this VER offer.

VI. VER PROCESSING

A. Responding to Employee Requests

1. VER Eligible Employees

Personnel offices must provide the VER Offer Letter (Attachment C) to all eligible employees who return a Statement of Interest form and are covered by the Hurricane Katrina MOU. **For full-time employees**, a VER offer package will be prepared and mailed to their home address of record no later than **January 5, 2006**, informing them of their eligibility for the VER offer. **For part-time employees**, a VER offer package will be prepared and mailed to their home address of record no later than **February 22, 2006**, informing them of their eligibility for the VER offer. All undeliverable VER offer packages 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 completed retirement effective date and a return envelope.
- Annuity estimate.
- Information about retirement counseling.

NOTE: There will be 3 possible VER effective dates for this VER offer. For full-time employees they are January 31, 2006, February 28, 2006 or March 31, 2006; and for part-time employees the date is March 31, 2006.

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 Hurricane Katrina MOU, must be notified using a Disapproval Letter (Attachment E) as soon as local personnel becomes aware of the information.

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 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 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 VERA.

Additional information available on <http://www.usps.com/vera> has VERA 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 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 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 VERA offer, the OPM Authority Numbers and dates are:

- CSRS
5 USC 8336(d)(2)
OPM authority number 2006-031
Duration: November 2, 2005 through December 31, 2006
- FERS
5 USC (8141(b)(1)(B)
OPM authority number 2006-031
Duration: November 2, 2005 through December 31, 2006

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 VERA

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 VERA 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 this VER offer, 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 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 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 Hurricane Katrina VER Guidelines
- Attachment B Implementation Timeline
- Attachment C VER Offer Letter
- Attachment D Approval Notice
- Attachment E Disapproval Letter
- Attachment F Acknowledgement of Irrevocability
- Attachment G Bulletin Board Notice
- Attachment H CMS Update 2003-39

DATE--Full Time Employees ONLY	Events	DATE-- Part Time Employees ONLY (PTRs and PTFs))
Monday, December 05, 2005	Draft implementation plan sent to Southwest and Southeast Areas for comment	Monday, December 05, 2005
Thursday, December 08, 2005	Listing of Full Time and Part Time in the SOI mailing is sent to Southwest and Southeast Areas.	Thursday, December 08, 2005
Friday, December 09, 2005	Final version of implementation plan sent to Southwest and Southeast Areas.	Friday, December 09, 2005
Friday, December 09, 2005	Provide FT EINs to Eagan IBSSC	Done by CSFP
Thursday, December 15, 2005	Post Bulletin Board Notice	Thursday, December 15, 2005
Thursday, December 13, 2005	Statement of Interest (SOI)/Annuity Estimate Mailing for FT by Eagan IBSSC; for PT CSFP	Tuesday, January 24, 2006
Friday, December 30, 2005	End of SOI response period	Wednesday, February 08, 2006
Tuesday, December 20, 2005 To Wednesday, January 04, 2006	HQ Complement, Staffing & Field Policy (CSFP) Collect/Forward SOI data	Friday, January 27, 2006 To Wednesday, February 15, 2006
Thursday, January 05, 2006	Offer packages delivered to interested employees	Wednesday, February 22, 2006
Friday, January 06, 2006 To Friday, January 20, 2006	VER window	Wednesday, March 01, 2006 To Wednesday, March 22, 2006
Friday, January 20, 2006	Decision to retire is irrevocable. Mail Approval notices	Wednesday, March 22, 2006
Tuesday, January 31, 2006	VER Effective Date	Friday, March 31, 2006
Tuesday, February 28, 2006	VER Effective Date	N/A
Friday, March 31, 2006	VER Effective Date	N/A
VER effective date + 10 days	Retirement packages sent to Eagan	Monday, April 10, 2006

M-01555

VER OFFER LETTER

(DATE)

Employee Name and
Address

SUBJECT: Voluntary Early Retirement Offer

The Postal Service has received approval from the Office of Personnel Management (OPM) under its Voluntary Early Retirement Authority to offer VER to career employees in the Louisiana and Mississippi Districts.

PARAGRAPH USED TO EXPLAIN ALLOWABLE VER MAXIMUMS

It should be noted that the number of voluntary early retirements that will be accepted in **(facility/position)** is limited to **(enter number of allowable retirements)**. If the number of requests for voluntary early retirement exceeds the number required for this/these **(facility/position)**, then voluntary early retirement will be granted to those employees with the earliest retirement computation date up to the number of allowable retirements specified above.

You have been identified as being in the group of employees described in the first paragraph and have returned a Statement of Interest. You are therefore eligible for this VER offer. To take advantage of this offer, you must complete and return the attached 1) *Acknowledgment of Irrevocability of Voluntary Early Retirement Decision* and 2) *Application for Immediate Retirement (attached SF 2801 for CSRS employees or SF 3107 for FERS employees)*. These documents must be received by your servicing personnel office no later than 5:00 PM on **ENTER DATE**. If you elect to take advantage of this VER offer, your retirement effective date will be **ENTER DATE**.

Since the Postal Service will rely on your decision to retire in developing its complement management plans, your decision to retire will become **IRREVOCABLE** at 5:00 PM on **ENTER DATE**, the closing date of the VER window period. This means that you cannot withdraw your retirement application after 5:00 PM on **ENTER DATE**. You may withdraw your retirement application prior to this time and date by submitting written notification by letter or fax, signed and dated, to **(enter name, mailing address/location and the fax number of the person who will accept withdrawals)**. Once again, in order to withdraw your retirement application, your withdrawal request must be RECEIVED prior to 5:00 PM on **ENTER DATE**.

The attached information is provided to assist you in making your decision whether to take advantage of this offer. If you are covered by the Civil Service Retirement System (CSRS) and under age 55, your annuity reflects a 2 percent reduction for each year under age 55. If you are covered by the Federal Employees Retirement System (FERS) with a CSRS frozen component and under age 55, only the CSRS portion of your annuity is reduced by 2 percent for each year under age 55. There is no reduction to the FERS component of the annuity. Also attached is a Retirement Thrift RIF (RTR) System Service History report showing your creditable service and an annuity estimate.

Please review your annuity estimate and the other information provided so you will be in a position to make an informed decision. Your personnel office will be providing additional retirement information through group retirement counseling sessions. Remember that in order to take advantage of this VER offer, your retirement application and acknowledgment must be received by your servicing personnel office **no later than 5:00 PM on ENTER DATE**.

Questions regarding this VER offer should be addressed to: **(Identify two human resources personnel.)**

Manager, Human Resources

Attachments

TO: **Employee**

SUBJECT: Notice of Approval of Employee Voluntary Early Retirement Request

You have applied for the voluntary early retirement option offered by the Postal Service under the Voluntary Early Retirement Authority ("VERA") granted by the Office of Personnel Management with a retirement effective date of **ENTER DATE**.

Your request has been approved. Your decision became **IRREVOCABLE** at 5 PM on **ENTER DATE**.

You should contact (**contact person name and phone number**) to finalize your retirement application.

(Enter name and signature of the HR Manager)

(DATE)

Employee Name and
Address

SUBJECT: Disapproval of Voluntary Early Retirement (VER) Request

You have submitted a Statement of Interest form for the current VER offer. You do not meet the eligibility requirements for this VER offer. The disapproval of your VER request was made based on the following reason:

- You do not meet the age and service requirements. To meet the requirements you must:
 - Be age 50 or older as of **April 1, 2006** with at least 20 years of creditable service* as of **March 31, 2006**; or
 - Have at least 25 years of creditable service* as of **March 31, 2006**; 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 **March 31, 2006**.

* 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.

- You are eligible for optional retirement.
- You do not occupy a covered position.
- Your retirement application was not received in a timely manner.
- The maximum number of allowable VERs has been reached. Employees with the earliest retirement computation date have preference.
- You are in receipt of a decision of involuntary separation for misconduct or unsatisfactory performance.

Manager, Human Resources

**ACKNOWLEDGMENT OF IRREVOCABILITY OF
VOLUNTARY EARLY RETIREMENT DECISION**

I have applied for voluntary early retirement (VER) offered by the Postal Service under the Voluntary Early Retirement Authority ("VERA") granted by the Office of Personnel Management.

I understand that the Postal Service is relying on my decision to retire in developing its complement management plans.

I understand that the effective date of my retirement will be **ENTER DATE**.

I understand that my decision to retire will become **IRREVOCABLE** at 5:00 PM on **ENTER DATE**, the closing date of the VER window period.

I understand that this means that I may withdraw my retirement application by submitting a letter or fax, signed and dated, to **(enter name, mailing address/location, fax number)**, which must be **RECEIVED** no later than 5:00 PM on **ENTER DATE**, in order for my withdrawal to be effective.

I understand that any letter or fax received after 5:00 PM on **ENTER DATE** will not be effective to withdraw my retirement application.

Please print legibly

Employee SSN: _____

Or

Employee Identification Number (can be found on your pay stub): _____

Employee Name: _____

Signature: _____

Date: _____

*** * * NOTICE * * ***

**Voluntary Early Retirement (VER) Offer for Employees Affected by
Hurricane Katrina**

The purpose of this VER offer is for the impacted employees as well as other VER eligible employees in the Louisiana and Mississippi Districts. This VER offer will create reassignment opportunities where none currently exist for all employees in the affected districts.

Covered employees will receive a package including a 'Statement of Interest' form that must be completed to indicate their interest in the early retirement offer. Packages for full-time employees will be mailed beginning December 15, 2005. Packages for part-time employees will be mailed in mid to late January, 2006.

The Statement of Interest form must be completed and returned to the address provided in the package. It must be postmarked no later than:

- December 30, 2005 for full-time employees
- February 8, 2006 for part-time employees

If you meet these basic eligibility requirements and do not receive your package by December 18, 2005 (full-time) or January 29, 2006 (part-time) please contact your local personnel office.

- **Age and Service Requirements**

- Be age 50 or older as of April 1, 2006 with at least 20 years of creditable service* as of March 31, 2006; or
- Have at least 25 years of creditable service* as of March 31, 2006; 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 March 31, 2006.

*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.

- **VER Eligible Position Requirement**

- For Louisiana District: career VER eligible employees.
- For Mississippi District: career VER eligible employees whose work location is in Zip Area 395.

Retirement effective dates for full-time employees are January 31, 2006, February 28, 2006 or March 31, 2006 and for part-time employees is March 31, 2006.

**PLEASE POST ON ALL EMPLOYEE BULLETIN BOARDS December 15, 2005
THROUGH COB March 31, 2006**