



## **Voluntary Separation Incentive Pay (VSIP) Phase II**

References: Title 5, United States Code (U.S.C.), Section 9902(g)  
[DoD 1400.25.M, Subchapter 1702, “Voluntary Separation Programs”, June 13, 2008](#)

Under a program known as Voluntary Separation Incentive Pay (VSIP) Phase II, the Department of Defense (DoD) may offer cash incentives to encourage employees at non-downsizing installations to resign or retire to create vacancies for DoD Priority Placement Program (PPP) registrants who are facing involuntary separation at downsizing or closing activities. The authority to offer VSIP Phase II is delegated to the Secretaries of the Military Departments and the Director of Washington Headquarters Services acting for the Heads of the DoD Components outside the Military Departments. This authority may be redelegated no lower than the installation commanders and activity heads.

The VSIP Phase II process begins when non-downsizing installations survey their employees for general interest in applying for VSIP. A positive response to the survey does not constitute an application for voluntary separation, but it does allow your supporting human resources office (HRO) to query the PPP for eligible registrants who are qualified for your job or, if your position will be restructured, for the position that it will be restructured to. The PPP registrant must also be registered for referral to your installation. You must be eligible under the standard VSIP requirements in order to participate in VSIP Phase II, and your position must be expected to continue for at least 24 months.

If you express an interest in VSIP and an eligible PPP registrant is referred for your position, your HRO will then ask if you're ready to submit a formal application for VSIP. If you apply and the PPP registrant is determined to be well qualified for your position, an offer will be extended.

You may withdraw your application at any time before your HRO is notified that the PPP registrant has accepted the offer. Once the HRO receives notification of acceptance, you are committed to separate voluntarily by resignation, optional retirement, or early retirement.

There are additional procedures for activities outside the Continental United States (OCONUS). To be eligible for buyouts under VSIP Phase II, OCONUS employees who are subject to the 5-year limitation on overseas employment must be within 6 months of completing a standard 3-year tour. The time frame is prorated based on the time frame of the tour.