

Voluntary Separation Incentive Pay Repayment Procedures

Reference: DoDI 1400.25, Civilian Personnel Management System, Volume 1702, Voluntary Separation Programs

Voluntary Separation Incentive Pay (VSIP) is used within the Department of Defense (DoD) as a tool for reducing involuntary separations during downsizing or base closure, and for restructuring the workforce at installations that are not facing personnel reductions.

Restrictions apply to reemployment within the Federal Government of former employees who received VSIP when they separated. They can not be rehired by a DoD agency within 12 months of separation, and cannot return to work for any Federal agency within five (5) years without repaying the full VSIP amount approved before taxes.

If, after 12 months, a VSIP recipient returns to DoD employment within five (5) years of receiving a VSIP the following procedures must be followed:

Personnel: The servicing Human Resources Office must notify the payroll office via a payroll remedy ticket and fax the separation SF-50 and rehire SF-50 to DFAS Imaging. Include on the remedy ticket the employee's contact information.

Payroll: With the notification from HR, the current payroll office will research the pay history of the employee, determine which payroll office paid the VSIP when the employee separated and forward the information to the losing payroll office. The losing payroll office will issue the debt letter to the employee.

If a former employee returns to Federal employment (non DoD) within five (5) years of receiving a VSIP from DoD, then the former employee or gaining employer must contact the office that issued the VSIP to initiate the repayment process as described above.