



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

FEB -3 2017

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Temporary Increase in Voluntary Separation Incentive Pay

Section 9902(f) of title 5, United States Code, authorizes the Secretary of Defense to use voluntary separation pay to downsize or restructure the civilian workforce. This authority was implemented through Department of Defense Instruction (DoDI) 1400.25, Volume 1702, "DoD Civilian Personnel Management System: Voluntary Separation Programs," and further extended to DoDI 1400.25, Volume 1417, "DoD Civilian Personnel Management System: Civilian Transition Program (CTP) for Nonappropriated Fund (NAF) Employees Affected by Workforce Reductions." These volumes provide that voluntary separation incentive pay (VSIP) shall be the lesser of \$25,000 or the amount of severance pay the employee would receive if entitled to severance pay.

Section 1107 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017 amends section 9902(f) to provide that the maximum for VSIP payments through September 30, 2018, shall be an amount determined by the Secretary not to exceed \$40,000. Consistent with the authority in section 9902(f) as amended by the NDAA for FY 2017, I am hereby authorizing a temporary exception to the current policy on the VSIP cap as set forth in Enclosure 3, paragraph 2.a.(7) of DoDI 1400.25, Volume 1702, and Enclosure 3, paragraph 5.a.(1) of DoDI 1400.25, Volume 1417:

- This exception to policy authorizes components and agencies to make VSIP offers of \$40,000 or the amount of severance pay the employee would receive if entitled to severance pay, whichever is less, during the time period specified below.
- Components and agencies are authorized to apply this exception to VSIP offers made on or after December 23, 2016 (the date this provision was signed into law), in regard to which no payment has yet been made, and on or before September 30, 2018.
- Components and agencies are expected to exercise their VSIP authorities in a manner that provides fair and equitable treatment to civilian employees who have honorably served in the Department.
- All other provisions of DoDI 1400.25, Volumes 1702 and 1417, remain in effect.

Should you have any questions on this matter, please contact Ms. Hong Miller at (210) 308-1939, or via email at hong.v.miller.civ@mail.mil.

A. M. Kurta

Performing the Duties of the Under Secretary of
Defense for Personnel and Readiness

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