VOLUNTARY EARLY RETIREMENT AUTHORITY (VERA)
FREQUENTLY ASKED QUESTIONS

GENERAL:

1. What is Voluntary Early Retirement Authority (VERA)?

VERA, also referred to as an “early out” retirement, temporarily lowers the age and service requirements in order to increase the number of employees who are eligible for retirement during periods of substantial reorganization.

VERA is a management tool used to incentivize employees to voluntarily retire, in order to avoid or lessen the impact of involuntary reductions that are necessary due to known budgetary shortfalls and/or to address positions that are no longer needed due to mission changes or different skills requirements.

ELIGIBILITY:

1. What are the age and service requirements to retire under VERA?

If you are given the opportunity to retire under VERA, you must meet the following age and service requirements to qualify:

- You must be at least age 50 and have at least 20 years of creditable service or have at least 25 years of creditable service at any age. At least five years of service must be creditable civilian service (rather than creditable military service), and

- If you are under the Civil Service Retirement System (CSRS) or under CSRS Offset, you must have served in a position covered by the CSRS or CSRS Offset for at least one year out of the two years immediately before retirement. This rule does not apply to employees covered under Federal Employees’ Retirement System (FERS).

2. Are there requirements other than age and service that I must meet to qualify for VERA?

You must also meet the following requirements:

- You must be serving under a permanent appointment (not a time-limited appointment); and
- You must have been continuously employed with TSA for at least 30 days before the date specified in TSA’s current authority from OPM; and
- You must not have received a decision or notice that you will be involuntarily separated due to misconduct or unsatisfactory performance; and
- You must not fall under a specified exclusion, if any, as indicated in the VERA broadcast messaging.

NOTE: Human Capital (HC) will provide written notification to employees that have been identified as being potentially eligible for voluntary early retirement consideration as indicated in the VERA broadcast messaging. Only those employees who have been notified by HC may request a VERA retirement annuity estimate through HCAccess Help Desk via email to HelpDesk@mailserver-hraccess.tsa.dhs.gov, or fax number 1(877)872-7993.
**PROCESSES AND POINTS OF CONTACT:**

1. **What is the process to apply for Voluntary Early Retirement?**

   For an “Agency Wide” VERA; interested employees who meet the eligibility requirements explained in the VERA announcement must submit [TSA Form 1148, Voluntary Early Retirement Notice of Interest](HelpDesk@mailserver-hraccess.tsa.dhs.gov) to initiate the process.

   For a “Program Office” specific VERA; HC will send a written notification to employees that have been identified as being potentially eligible for voluntary early retirement. Interested employees must submit a TSA Form 1148, Voluntary Early Retirement Notice of Interest to initiate the process.

   TSA Form 1148 should be submitted directly to the *HCAccess Help Desk* via email to [HelpDesk@mailserver-hraccess.tsa.dhs.gov](HelpDesk@mailserver-hraccess.tsa.dhs.gov), or fax number 1-877-872-7993.

   Unless otherwise specified in a VERA announcement, forms must be submitted within the timeframe identified in the publication announcing the VERA open period.

2. **How can I request a retirement estimate?**

   Interested employees must submit TSA Form 1148, Voluntary Early Retirement Notice of Interest to the HCAccess Help Desk. This will initiate an employee service review to confirm VERA eligibility. If the employee meets the VERA eligibility requirements, a retirement annuity estimate will automatically be prepared and emailed to the employee.

3. **What are the procedures for submitting a retirement application?**

   First, interested employees must submit their TSA Form 1148 directly to the HCAccess Help Desk within the timeframe identified in the publication announcing the VERA open period.

   HC will confirm the employee meets the VERA eligibility requirements and will provide the employee with an approval email to retire under VERA. The email notification will also include a retirement annuity estimate and the procedures for submitting a retirement application.

   The [HCAccess Resources](https://HCAccessResources) webpage provides helpful retirement information.

   **NOTE:** Retirement applications will not be processed until a TSA Form 1148 has been received by the HCAccess helpdesk and eligibility to retire under the VERA is validated by Human Capital, Personnel Services, Benefits section.

   Unless otherwise specified in a VERA announcement, retirement applications should be submitted within the timeframe identified in the publication announcing the VERA open period.

   HC no longer accepts paper applications by mail. Retirement applications will only be accepted via email or fax to HCAccess. If an application is being submitted via email, the full application must be submitted in one PDF document.

   Employees must submit retirement applications directly to HCAccess via email at [helpdesk@mailserver-hraccess.tsa.dhs.gov](helpdesk@mailserver-hraccess.tsa.dhs.gov) or fax to 1-877-872-7993.

   Employees should maintain the original copy of their application for their records.
COMPUTATION OF RETIREMENT BENEFITS UNDER VERA:

1. If I retire under VERA, how will my retirement benefit be calculated?

   Like regular annuities, retirement benefits under VERA are based on your years and months of
   creditable service and your high-3 average salary.

   For CSRS or CSRS-Offset employees, the computation (before the age reduction) is based on 1.5
   percent of the high-3 average salary for each of the first five years of creditable service, 1.75 percent
   for each of the second five years, and 2 percent for each year thereafter.

   The computation for FERS employees is 1 percent of the high-3 average salary for each year of
   creditable service, unless there is a CSRS component to the retirement benefit. If there is a CSRS
   component, the years and months in the component are computed under CSRS rules (described in the
   previous paragraph) and the FERS portion is calculated under FERS rules.

   Some employees may have special types of service that may produce a higher computation such as
   prior Congressional service.

   **NOTE:** These computations produce the gross annual retirement benefit. Required reductions are
   then applied such as age reduction (when applicable), reduction to provide a survivor retirement
   benefit, and reductions for unpaid deposits or redeposits.

2. If I retire under VERA, is my retirement benefit reduced?

   CSRS and CSRS Offset employees who retire under VERA will have a reduction in their retirement
   benefit of 2 percent per year for each year they are under age 55. (The reduction is 1/6 of one percent
   for each full month.) This “age reduction” is applied after the retirement benefit is calculated, i.e., the
   retirement benefit is first calculated based on years and months of service and high-3 average salary
   and then the age reduction is applied to that computation.

   FERS employees do not have a reduction in their retirement benefit unless they have a CSRS
   component to their FERS benefit. They have a CSRS component if they chose to transfer to FERS
   and had at least five years of prior service that was covered by CSRS only and/or covered by Social
   Security deductions only. The CSRS portion of the FERS employees’ annuities will be reduced by 2
   percent (1/6 of one percent for each full month) for each year they are under age 55.

3. Will TSA waive the retirement benefit reduction for those employees who are under age 55?

   No. The retirement law requires the reduction. Neither TSA nor the U. S. Office of Personnel
   Management (OPM) has the authority to waive this provision.

4. Am I still subject to the retirement benefit reduction even though I have over 30 years of
   service?

   If you retire under VERA and are covered by CSRS or CSRS Offset or covered by FERS with a
   CSRS component, you will be subject to the retirement benefit reduction if you are younger than age
   55 even if you have 30 or more years of creditable service.
5. If I retire under VERA, and I am subject to the retirement benefit reduction, does my retirement benefit increase when I reach age 55?

No, the retirement benefit reduction under VERA is a permanent reduction.

ALREADY ELIGIBLE FOR OPTIONAL RETIREMENT:

1. What is Optional Retirement?

Optional Retirement is also frequently referred to as Voluntary Retirement. Optional Retirement means that you meet all the requirements including age and service to retire with an immediate retirement benefit.

2. What are the age and service requirements for Optional Retirement?

If you are under CSRS or CSRS Offset, you must have served in a position covered by the CSRS or CSRS Offset for at least one year out of the two years immediately before retirement. If you are under FERS, this rule does not apply.

You must then meet one of the following age and service requirements. At least five years of your service must be creditable civilian service (rather than creditable military service). The age and service requirements are different for those individuals who are covered by the special retirement provisions for law enforcement officers.

<table>
<thead>
<tr>
<th>CSRS or CSRS Offset:</th>
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<th>Service</th>
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<td>20</td>
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<td>62</td>
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<table>
<thead>
<tr>
<th>FERS:</th>
<th>Age</th>
<th>Service</th>
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<tbody>
<tr>
<td>FERS:</td>
<td>55-57*</td>
<td>30</td>
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<tr>
<td>FERS:</td>
<td>55-57*</td>
<td>10**</td>
</tr>
<tr>
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<td>60</td>
<td>20</td>
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<tr>
<td>FERS:</td>
<td>62</td>
<td>5</td>
</tr>
</tbody>
</table>

*The FERS Minimum Retirement Age at which you are eligible to retire is based on your year of birth. See question 3 below.

**This is a reduced retirement benefit.
3. What is the FERS Minimum Retirement Age?

The minimum retirement age (MRA) under FERS varies, according to the year of your birth.

<table>
<thead>
<tr>
<th>If Your Year of Birth Is:</th>
<th>Your MRA is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1948</td>
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<td>1952</td>
<td>55 Years, 10 Months</td>
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<td>1953 to 1964</td>
<td>56 Years</td>
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<td>1965</td>
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<td>1969</td>
<td>56 Years, 10 Months</td>
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<tr>
<td>1970 or later</td>
<td>57 Years</td>
</tr>
</tbody>
</table>

SETTING THE RETIREMENT DATE:

1. Is there a particular date that I should plan to separate if I choose to retire under VERA?

TSA may limit the period during which VERA opportunity is available. This date will be provided in the applicable employee communication. You must retire no later than the date specified. You should set your retirement date to maximize your benefits, whenever possible.

If you retire under FERS, your retirement benefit will be effective on the first day of the month after you retire, so you should try to target your retirement date at the end of the month.

If you retire under CSRS or CSRS Offset, your retirement benefit will be effective the following day only if you target your retirement date during the first three days of the month or the last day of the month.

NOTE: It is important to understand that the “effective date of your retirement benefit” means the date that your benefits begin to accrue. It does not mean the date that you can expect to receive your first retirement benefit payment.

CREDITABLE SERVICE:

1. Is it true that additional years of service will be added to my years of federal employment if I retire under VERA?

No. Service credit for any type of retirement under CSRS, CSRS Offset, or FERS is prescribed by the retirement laws. There is no provision in the laws to grant credit for service that was not earned.
2. Does the service computation date on my Personnel Action Forms (SF-50) show all my creditable service for retirement purposes?

Not always. The service computation date (SCD) on your personnel action forms is for leave-earning purposes only. Service that is creditable for leave is not always creditable for retirement purposes. CSRS and CSRS Offset employees get credit for federal civilian service for the purposes of years and months needed to retire even if they have not paid a deposit or redeposit for the service. This is not always true with regard to credit for active duty military service.

FERS employees must generally pay all deposits or the service is not creditable at all. See question 3 below for details. Some common types of service that are creditable for leave-earning purposes but are not creditable for retirement purposes are:

- Periods of military campaigns and expeditions if you are retired from military service
- Civilian service that was not subject to retirement deductions if you are covered by FERS (You may make a deposit to get credit if the service was before 1989, but such service is not creditable if it occurred in or after 1989.)
- Civilian service under another retirement system for federal employees if you have not waived all retirement benefits under that system, e.g. Tennessee Valley Authority

3. What are deposits and redeposits?

- There are two types of deposits – civilian and military.
  - Civilian deposits are generally payments for service that was never covered by retirement deductions. For example, you may have had prior temporary appointments during which you were not covered by a federal retirement plan and only Social Security taxes were withheld from your pay. FERS employees may also have a deposit period for service previously covered by CSRS for which they received a refund of retirement deductions, if the service is now creditable under FERS rules rather than CSRS rules.
  - Military deposits are payments to obtain credit for active duty military service.
  - Redeposits are payments for periods of service that were subject to retirement deductions but you took a refund of the deductions.

If you are covered by CSRS or CSRS Offset, some deposits and redeposits are creditable in the computation of your retirement benefit even if you do not pay them, depending upon when the service occurred. In some cases, you have to pay them to get credit for the service in the computation of your retirement benefit. FERS employees must always pay the required deposits or the service is not creditable (unless they have a CSRS component and the service is creditable under CSRS rules).

FERS ANNUITY SUPPLEMENT:

1. What is the FERS Annuity Supplement?

The FERS Annuity Supplement is an additional amount that OPM temporarily pays to certain FERS retirees who retire before age 62 (MRA+10, deferred, and disability retirees do not qualify for the FERS Annuity Supplement). It ends when the retiree becomes eligible for Social Security benefits or becomes 62 years of age, whichever occurs first. It approximates the value that your FERS-covered
employment adds to your Social Security benefit. It is subject to an “earnings limitation,” meaning that if you work after retiring and you have earnings above this “exempt” amount, you will lose part or all of the FERS Annuity Supplement. The term “earnings” means the sum of wages for services performed during the year. It does not include your FERS retirement benefit or funds withdrawn from your Thrift Savings Plan account.

2. **What is the “exempt” amount for the FERS Annuity Supplement and what is the reduction to the FERS Annuity Supplement if I earn above that amount?**

The exempt amount is the same as the earnings limitation for individuals receiving Social Security benefits before their full retirement age. For the year 2021, that amount is $18,960. You will lose $1 of your FERS Annuity Supplement for every $2 that you earn over the exempt amount.

3. **If I retire under VERA as a FERS Employee, am I eligible for the FERS Annuity Supplement?**

If you are under age 62, you are eligible for the FERS Annuity Supplement. However, the FERS Annuity Supplement will not begin until you retire and you reach your minimum retirement age (55-57).

4. **Is the value of the FERS Annuity Supplement the same amount as I will receive from Social Security when I become eligible for the benefit?**

No, the FERS Annuity Supplement is based only on the full calendar years that you were covered by FERS which is less than your future Social Security benefit.

5. **Is there a simple formula for determining the amount of my FERS Annuity Supplement?**

The actual computation of the FERS Annuity Supplement is quite complex. A quick method for estimating this benefit is to use a base amount of $25 - $35 per month for each full calendar year that you were covered by FERS. The $25 monthly amount produces a conservative estimate, while $35 is at the high end. The average FERS Annuity Supplement is usually in the range of $28-$29 per month for each full calendar year of FERS coverage.

For example, if you were first covered by FERS on January 18, 2001, and were covered under FERS until your retirement on March 31, 2021, you would have 18 full years of FERS-covered service (2002 through 2020). Since you would not have been covered by FERS for the “full calendar year” in 2001 and 2021, you would exclude those years. Using $28 per month produces an amount of $336 for each full year multiplied by 18 years equals an estimated FERS Annuity Supplement of $6,048 per year.

**FEDERAL EMPLOYEES HEALTH BENEFITS (FEHB):**

1. **Will I lose my federal health insurance if I chose to retire earlier than my minimum retirement age?**

Employees retiring under VERA must have been continuously enrolled for the last five years of service to be covered under the Federal Employees Health Benefits (FEHB) program to continue such coverage into retirement. If an employee has less than five years of coverage, (i.e. due to a break in service), he/she must have been enrolled since becoming eligible to apply for the FEHB program.
OPM will grant pre-approved waivers to employees under the conditions:

- If the employee meets all eligibility requirements to qualify for voluntary early retirement;
- Employees who have been covered under the FEHB program continuously since the beginning date of TSA’s current authority;
- Retire under this authority no later than the ending date of TSA’s current authority.

**FEDERAL EMPLOYEES' GROUP LIFE INSURANCE (FEGLI):**

1. Will I lose my federal life insurance if I chose to retire earlier than my minimum retirement age?

Employees retiring under VERA must have been continuously enrolled for the last five years of service to be covered under the Federal Employees’ Group Life Insurance (FEGLI) program to continue such coverage into retirement. If an employee has less than five years of coverage (i.e. due to a break in service), he/she must have been enrolled since becoming eligible to apply for the FEGLI program.

Unlike FEHB, OPM will not approve waivers for employees who do not meet the conditions to continue FEGLI into retirement.

**THRIFT SAVINGS PLAN:**

1. What are my options for withdrawing my Thrift Savings Plan (TSP) account if I retire under VERA?

If you retire under VERA provisions and receive a TSP withdrawal payment before you reach age 59½, in addition to the regular income tax, you may have to pay an early withdrawal penalty tax equal to 10% of any taxable portion of the payment that is not transferred or rolled over. However, if you separate from service during or after the year you reach age 55 (or the year you reach age 50 if you are a public safety employee as defined by section 72(t)(10)(B)(ii) of the Internal Revenue Code), then the 10% early withdrawal penalty tax does not apply.

There are other circumstances in which the 10% early withdrawal penalty does not apply that are not associated with your age at retirement. For more information, read the TSP tax notice, Important Tax Information About Payments From Your TSP Account, provides information about the tax consequences and early withdrawal penalty applicable to TSP withdrawals. You should also carefully review the TSP booklet, Withdrawing Your TSP Account After Leaving Federal Service, and the fact sheet Important Tax Information About Your TSP Withdrawal and Required Minimum Distributions, to better understand your withdrawal options.
SICK LEAVE:

1. What happens to my sick leave if I retire under VERA provisions?

You will receive credit for your unused sick leave in the computation of your retirement benefit, but you must first meet the age and service requirements to qualify for VERA. In other words, you cannot add your sick leave to your years and months of service to qualify for VERA. The hours of sick leave are converted to years and months of creditable service and added to your actual service. Since your retirement benefit is based on your high-3 average salary and years/months of service, sick leave hours can increase your retirement benefit.

ANNUAL LEAVE:

1. What happens to my annual leave if I retire under VERA?

Employees who separate from employment for any reason, including any type of retirement, are paid a lump sum payment for the value of their unused annual leave, usually within 30 days of separating.