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## 2011 Special Incentive Offer FAQs

NOTE: While some voluntary early retirement (VER) related questions and answers are included in this FAQ, eligible employees retiring under the VER provisions of this one-time incentive offer are strongly encouraged to read the full set of [VER FAQs](#) on the [VER website](#).

### GENERAL INQUIRIES

1. What are the basic details of the 2011 Special Incentive Offer? (Updated 03/30/2011)

On March 23, 2011, the Postal Service announced a Special Incentive offer for the following targeted groups:

- Career non-bargaining employees assigned to Headquarters and Headquarters Field Units, including PCES and attorneys
- Career non-bargaining employees assigned to Area Offices, including PCES
- Career non-bargaining employees assigned to District Customer Service Offices (the offer includes PCES in closing districts only)

Non-bargaining employees in the International Service Centers (ISCs), OIG, Inspection Service, HQ Management Interns, post offices, mail processing operations, or any other group not identified above are not included in the current VER or Special Incentive Offer.

Employees in the targeted groups are eligible for this Special Incentive Offer except:

- Employees in a probationary status as of 3/23/11
- Employees who have been issued a Final Removal Notice on or before 4/30/11\* or 5/31/11
- Employees leaving under Disability Retirement
- Transfers to Federal agencies

All employees retiring under the 2011 Special Incentive Offer must meet eligibility for optional (regular) or voluntary early retirement by 4/30/11\* or 5/31/11. Eligible employees who wish to take advantage of this Special Incentive Offer by the required decision deadline (April 25, 2011) must retire or voluntarily resign effective 4/30/11\* or 5/31/11.

2. How is the Postal Service funding this incentive offering?

The Postal Service is funding this initiative by using money that would otherwise be used as wages for these employees if they did not take the early out incentive option.

3. Why is this incentive being offered only to this group of employees?

Employees in the group identified above (Question #1) are being offered this incentive as a result of organizational changes.

4. Can employees switch into positions in the targeted group to take advantage of the Special Incentive Offer?

### Related Information

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[Organizational Change/RIF FAQs](#)
[2011 Organizational Redesign FAQs](#)
[2011 Organizational Change Process Timeline](#)
[2011 Org Redesign Information At-A-Glance](#)
[VER Offering for 2011 Organizational Redesign](#)
[Employee Assistance Program](#)
[Competitive Areas](#)
[eCareer](#)

No. To take advantage of the Special Incentive Offer, you must occupy an eligible position as of close of business on 3/23/11. See Question #1 above for details about eligible groups.

5. Have the Management Associations been notified?

Yes.

6. Can anyone within the targeted groups leave under this Special Incentive Offer?

Refer to Question #1 for description of eligible employees and exceptions to the 2011 Special Incentive Offer. Should management need to limit the number of incentive retirements/resignations, approval will be granted on a first-come, first serve basis as determined by the earliest date of application in eRetire (optional retirement), earliest date of receipt of Statement of Irrevocability and Application for Immediate Retirement (VER), and earliest date of receipt of PS 2574 (voluntary resignation).

7. Are there any caps on the number of incentive retirements, VERs, or resignations that will be accepted? (Updated 03/29/2011)

Yes. Specific caps have been established for certain targeted groups receiving this offer as follows:

- HQ-HQ Related PCES have a Cap of 100
- HQ-HQ Related EAS and Pay Band, have a combined Cap of 500
- The 67 Customer Service District Offices have a Cap of 3,350 for EAS employees. (PCES employees in the remaining 67 districts are not eligible)
- There is no Cap for PCES, EAS, and Pay Band at the Area Offices
- There is no Cap for PCES and EAS employees at the 7 closing Customer Service District Offices

8. I want to take advantage of the incentive offer. How will I know whether the established cap has been reached for my targeted group? (Updated 03/29/2011)

The incentive will be approved on a first come, first serve basis as determined by the earliest date you began the retirement process in eRetire (optional), or date of receipt of Acknowledgement of Irrevocability & Application for Immediate Retirement (VER), or date of receipt of written resignation (voluntary resignation). If the established cap is reached for a targeted group, a disapproval notification will be sent to any employee who has been deemed ineligible based on their date of application described above.

9. If I receive a disapproval notification, can I withdraw my optional application, VER, or resignation? (Updated 03/30/2011)

Yes, provided your written withdrawal request is received at HRSSC no later than 8:30 PM EST on April 25 for VER or no later than 8:30 PM EST on the effective date of retirement or resignation (April 30\* or May 31)..

#### INCENTIVE PAYMENTS – HOW MUCH & WHEN

1. What is the incentive amount for full-time employees?

The total incentive amount for full-time employees is \$20,000.

2. How is the incentive pay for full-time employees going to be paid out?

Each eligible full-time employee will receive an initial incentive payment of \$10,000 on November 11, 2011 (less required deductions and withholdings). The remaining \$10,000 balance will be payable on approximately November 9, 2012 (less required deductions and withholdings).

3. What is the incentive amount for part-time employees?

The total incentive amount for part-time employees is prorated based on the number of hours paid in the twenty-six full pay periods prior to 3/23/11. Part-time employees will know their specific incentive amount based on the following schedule:

Number of Paid Hours    Percent of Incentive Payment

Under 520	25
520 and under 1020	50
1020 and under 1520	75
1520 and over	100

Prorated percentages will be applied separately to the two, separate \$10,000 payments.

4. How is the incentive pay for part-time employees going to be paid out?

Same as #2 above.

5. Where will my incentive payments be mailed?

Just like terminal leave, incentive payments will be mailed to the installation head of the duty station from which you retire or separate.

6. What deductions will be withheld from my lump sum payment(s)?

The following deductions will be withheld from your lump sum payment(s):

- Federal Income Tax
- State Income Tax (if applicable)
- Medicare Tax
- Social Security-OASDI Tax\*

\*Applies only to FERS and CSRS Offset employees.

#### HOW TO TAKE ADVANTAGE OF THIS INCENTIVE OFFER

1. I am in the targeted eligibility group and I am already scheduled to retire BEFORE 5/31/11. Can I take advantage of this incentive offer?

Yes – eligible employees who are in process as of March 23, 2011, with a scheduled retirement date on or before May 31, 2011, will be permitted to retire on their scheduled retirement date and be eligible for the Special Incentive Offer.

2. I am in the targeted eligibility group and I am already scheduled to retire AFTER 5/31/11. Can I take advantage of this incentive offer? (Updated 03/30/2011)

Yes – eligible employees who are in process as of March 23, 2011, with a scheduled retirement date after May 31, 2011 will be eligible for the incentive provided they change their retirement date to April 30, 2011\* or May 31, 2011. The employee must contact the HRSSC no later than April 25, 2011, request a change date to April 30, 2011\* or May 31, 2011 and be optionally eligible to retire as of April 30, 2011\* or May 31, 2011.

3. I am in the targeted group and eligible for optional retirement. How do I take advantage of the Special Incentive Offer? (Updated 03/30/2011)

To take advantage of this offer, you must begin the retirement process no later than 8:30 PM EST on Monday, April 25, 2011 and retire effective April 30, 2011\* or May 31, 2011. Starting the retirement process does not obligate you to retire. This action simply prompts the printing and/or mailing of a retirement application package so you can begin the process and follow the instructions to schedule a group retirement information session. Use the following method to begin the retirement process for this Special Incentive Offer:

- Via eRetire – Logon to LiteBlue at the following links:  
<https://liteblue.usps.gov> or [www.liteblue.usps.gov](http://www.liteblue.usps.gov). Enter your Employee

Identification Number (EIN) and Personal Identification Number (PIN).  
Select eRetire from Employee Apps – Quick Links carousel in the middle of the screen. Use the arrows in the carousel to locate eRetire. Click on the eRetire icon and follow the prompts to “Log on Now!” to begin the optional retirement process.

4. I am in the targeted group and eligible for voluntary early retirement. How do I take advantage of this offer?

Complete and return the Acknowledgement of Irrevocability and Application for Immediate Retirement provided with your VER Offer. These documents must be received at the HR Shared Service Center no later than 8:30 PM EST on April 25, 2011.

5. I am eligible for this Special Incentive Offer. If I leave, can I seek re-employment with the Postal Service if jobs are available?

An employee who accepts the incentive payment and later seeks employment in a career position with the Postal Service, must return the incentive payment received as a precondition for employment UNLESS a period of two years has passed from the date of retirement or separation and the date of rehire. Employees who are eligible for and accept non-career employment will not be required to return the incentive including Rural Relief Act hires and Offset Waivers granted by the PMG under the 2010 National Defense Authorization Act.

6. I am in the targeted eligibility group and prior to the announcement, I was in process of accepting another position in another federal agency. What are my options to receive the Special Incentive Offer? (Updated 03/30/2011)

If you accept a job with another federal agency you are not eligible for the Special Incentive Offer. Should you decide to decline the transfer opportunity, you may submit a written request to HRSSC to cancel your transfer to another federal agency no later than COB on the effective date of your separation. You may then submit a signed original PS 2574, Resignation from the Postal Service, effective 4/30/11 or 5/31/11. The PS 2574 must be received by 8:30 PM EST on 4/25/11. If you accept employment with another federal agency after your resignation effective April 30 or May 31, you would be eligible for the incentive provided there is a break in service of more than 4 days.

7. I am in the targeted eligibility group and I submitted a voluntary resignation effective 5/31/11. How do I change my date to 4/30/11? (Updated 03/30/2011)

Submit a written request to HRSSC changing the effective date of your resignation from 5/31 to 4/30. A request to change your effective date to 4/30 must be received no later than 8:30 PM EST on 4/25/11.

***(The following section addresses basic eligibility requirements and Military Service)***

**BASIC RETIREMENT ELIGIBILITY**

1. Who is eligible for optional retirement?

The requirements are different for employees covered by the Civil Service Retirement System (CSRS) and employees covered by the Federal Employees Retirement System (FERS).

***CSRS and CSRS Offset***

Employees covered by CSRS and CSRS Offset are eligible if they meet the following requirements:

a. Age and service requirements as follows:

- At least 55 years of age with at least 30 years of service, or
- At least 60 years of age with at least 20 years of service, or
- At least 62 years of age with at least 5 years of service, and

- b. At least 5 years **MUST** be creditable civilian service, not military service. Employees may use military service to meet the balance of service required for eligibility, and
- c. You must have been employed under CSRS for at least one year out of the last two years, but the service need not be continuous.

### **FERS**

Employees covered by FERS are eligible if they meet the following requirements:

- a. Age and service requirements as follows:

For an unreduced optional retirement:

- At least Minimum Retirement Age (MRA)—which is from age 55 to 57 depending on your year of birth—with at least 30 years of service, or
- At least 60 years of age with at least 20 years of service, or
- At least 62 years of age with at least 5 years of service, and

For a *reduced* optional retirement:

- Not eligible for an unreduced retirement, and at least MRA with at least 10 years of service—you will have a permanent reduction in your annuity of 5% for each year you are under age 62 (you may retire and then postpone receiving your annuity to lessen this reduction), *and*

- b. At least 5 years **MUST** be creditable civilian service, not military service. Employees may use military service to meet the balance of service required for eligibility.

c. In addition to your basic annuity, you also receive the FERS Special Retirement Supplement if you take an unreduced optional retirement having reached your MRA with at least 30 years of service or age 60 with at least 20 years of service. This supplement, which is only for eligible FERS employees, is paid by the Office of Personnel Management (OPM), which estimates the Social Security benefit earned by your FERS years of service. It is paid **AS PART OF YOUR ANNUITY** until you become eligible for a Social Security benefit at age 62 and is subject to Social Security earnings limits.

**THERE IS NO PENALTY FOR FERS EMPLOYEES TAKING OPTIONAL RETIREMENT EXCEPT FOR FERS EMPLOYEES WHO RETIRE UNDER REDUCED OPTIONAL RETIREMENT WITH MRA + 10 YEARS OF SERVICE.**

## **2. Who is eligible for voluntary early retirement?**

Employees covered by CSRS and employees covered by FERS are eligible for voluntary early retirement if they meet the following requirements:

- At least 50 years of age with at least 20 years of service, or any age with at least 25 years of service, *and*
- At least 5 years **MUST** be creditable civilian service, not military service. Employees may use military service to meet the balance of service required for eligibility, *and*
- CSRS and CSRS Offset employees must have been employed under CSRS for at least one year out of the last two years, but the service need not be continuous.

Under VER, for CSRS and CSRS Offset employees, and for the CSRS component for FERS employees who have one, the annuity benefit will be permanently reduced by 2% for each year that you are below age 55 when you retire through VER.

For FERS employees **ONLY** – The FERS Special Retirement Supplement is an annuity supplement paid by the Office of Personnel Management (OPM), which estimates the Social Security benefit earned by your FERS years of service. It is paid **AS PART OF YOUR ANNUITY** until you become eligible for a Social Security benefit at age 62 and is subject to Social Security earnings limits. Note

that under VER, this supplement is payable only if you have reached your Minimum Retirement Age (MRA) – your earliest optional retirement age. If you are separating at less than MRA, the supplement will not be paid until you reach your MRA. For additional Q&As on the FERS Special Retirement Supplement, refer to the [VER FAQs](#), questions 18-24.

THERE IS NO PENALTY FOR FERS EMPLOYEES TAKING VER WHO DO NOT HAVE A CSRS COMPONENT IN THEIR ANNUITY. (NOTE THAT THERE IS A PENALTY FOR FERS EMPLOYEES WHO RETIRE UNDER REDUCED OPTIONAL RETIREMENT WITH MRA + 10 YEARS OF SERVICE).

3. What is the major difference between early voluntary retirement and optional retirement?

The age and service requirements are less under VER than under unreduced optional retirement. Under VER, for CSRS and CSRS Offset employees, and for the CSRS component for FERS employees who have one, the annuity benefit will be permanently reduced by 2% for each year that you are below age 55 when you retire through VER.

For FERS employees who take an optional retirement under MRA + 10 years of service, there is a permanent reduction in the annuity of 5% for each year you are under age 62. You may retire and then postpone receiving your annuity to lessen this reduction.

THERE IS NO PENALTY FOR FERS EMPLOYEES TAKING VER WHO DO NOT HAVE A CSRS COMPONENT IN THEIR ANNUITY. THERE IS A PENALTY FOR FERS EMPLOYEES WHO RETIRE UNDER REDUCED OPTIONAL RETIREMENT WITH MRA + 10 YEARS OF SERVICE.

4. I have submitted an application for disability retirement, but I now meet the requirements for voluntary early retirement and am eligible for this incentive. Can I cancel my application for disability retirement and take advantage of this Special Incentive Offer?

Yes, if you are in the targeted group and withdraw your application for disability retirement and you meet all eligibility requirements, you may take advantage of the Special Retirement Incentive Offer. An application for disability retirement may be withdrawn at any time prior to approval from OPM. Also, applications may be submitted for more than one retirement for which you qualify (discontinued service, MRA, etc.), and OPM will review each separately.

5. If I go out on disability retirement during the special window period, will I be eligible for the Special Incentive Offer?

No. Once you have separated from the agency on disability retirement, you cannot take advantage of this offer.

6. I am on Injury Compensation, receiving payments from OWCP and am eligible to retire or separate according to the criteria of this Special Incentive Offer. Will I be notified?

Employees who are on the rolls, eligible for the Special Incentive Offer (optional retirement or Voluntary Early Retirement) and on Injury Compensation will receive an annuity estimate in the mail. Employees who retire to get the incentive will no longer receive OWCP compensation payments; instead they will get their retirement annuity from OPM.

#### MILITARY SERVICE

1. Can I make a military buy-back deposit to become eligible for the program?

Yes, provided the deposit is paid in full prior to the effective date of the retirement (04/30/11\* or 05/31/11). To begin the military buy-back process, please contact the HR Shared Service Center.

***(This section addresses Voluntary Separation for eligible employees.)***

#### VOLUNTARY SEPARATION

1. Are there any time in service limitations for a voluntary separation?

No.

2. I am in the targeted eligibility group and wish to resign to take advantage of the Special Incentive offer. What do I need to do?

If you meet all eligibilities and want to resign (voluntarily separate) you can do so by completing PS Form 2574, and mail to the HRSSC, PO Box 970400, Greensboro, NC 27497-0400. Please note that resignation is for "Special Incentive Offer." To be eligible for the Special Incentive Offer, your original PS 2574 must be received no later than 8:30 PM EST on April 25, 2011. Photo copies or electronic submissions will not be accepted.

3. I am in the targeted eligibility group and have already submitted a voluntary resignation. Am I eligible for the Special Incentive Offer? (Updated 03/30/2011)

Yes - eligible employees who are in process as of March 23, 2011 with a scheduled resignation date on or before May 31, 2011 will be permitted to resign on their scheduled resignation date and be eligible for the Special Incentive Offer.

Eligible employees who are in process as of March 23, 2011 with a scheduled resignation date after May 31, 2011 must contact the HR Shared Service Center no later than April 25, 2011 and change their resignation date to 4/30/11 or 5/31/11 to be eligible for the Special Incentive Offer.

4. If I separate, how will this affect my retirement and benefits?

#### HEALTH BENEFITS:

If you are enrolled in Federal Employees Health Benefits, your coverage ends on the last day of the pay period in which you separate from the Postal Service, subject to a 31-day temporary extension of coverage (at no cost to you). This coverage is provided in the same enrollment category so you may convert to a nongroup (individual) contract with your current health benefits plan.

You also have the right to Temporary Continuation of Coverage (TCC) for up to 18 months after your separation instead of converting to a nongroup contract when you separate. You may select any plan in the FEHB Program in which to continue your coverage if you are eligible to enroll in the plan. To enroll in TCC you must contact the HR Shared Service Center within 60 days from the date you separate. If you enroll, you must pay the full premium cost (both the employee and the Postal Service shares) plus a 2 percent administrative surcharge. If you choose to continue your coverage, during the first 31 days you have the free coverage described above. If you continue the coverage to the end of the 18-month period, you will have another 31-day temporary extension of coverage for conversion to a nongroup contract.

If you or a family member are an inpatient in a hospital on the 31st day of your extension of coverage, FEHB benefits for the hospitalized person will continue for the length of the hospitalization, up to a maximum of 60 days, unless you convert to an individual contract.

#### LIFE INSURANCE:

Your life insurance coverage (including Accidental Death and Dismemberment [AD&D] insurance) will stop at the end of the day in which you separate from the U.S. Postal Service. You will have a temporary extension of coverage for 31 days after your life insurance terminates. This temporary extension of coverage does not include AD&D insurance. No premiums are required during this temporary extension.

When Federal Employees' Group Life Insurance (FEGLI) coverage as an employee stops and you are entitled to a 31-day extension of coverage, you may convert your FEGLI coverage to an individual policy. The conversion coverage is effective at the end of the 31-day extension of coverage. No medical examination is required, although you may be asked a few questions about your health to see if you qualify for a lower premium.

You may convert to an individual policy in an amount less than or equal to the total of your Basic and Optional insurance (if applicable). However, you may not convert coverage if you return to Government

service in a position in which you are eligible for FEGLI coverage within three calendar days after you left Government service. If you have assigned your insurance, only your assignee(s), may convert your Basic, Option A, and Option B coverage. You are still entitled to convert your Option C coverage since Option C cannot be assigned.

The HR Shared Service Center will notify you of your conversion rights when your life insurance coverage ends. However, you are responsible for ensuring that you have received the necessary forms and information from the HRSSC on time, so that you may act promptly, since you only have 31 days in which to convert your coverage.

#### DEFERRED RETIREMENT:

If you do not qualify for an optional retirement or a voluntary early retirement as explained in the Eligibility Q&As above, you may still qualify for a deferred retirement. Deferred retirement means that you will not receive an annuity from the Office of Personnel Management (OPM) immediately, but you do qualify to collect one in the future. Qualifying for a deferred retirement *does not make you eligible* for Federal Employees Health Benefits or Federal Employees Group Life Insurance during retirement. The rules for deferred retirement are different for employees covered by the Civil Service Retirement System (CSRS) and employees covered by the Federal Employees Retirement System (FERS).

#### Deferred Retirement: CSRS and CSRS Offset

Employees covered by CSRS and CSRS Offset are eligible for deferred retirement if they meet the following requirements:

- a. You turn age 62, *and*
- b. You have at least 5 years of creditable civilian service, not military service, *and*
- c. You must have been employed under CSRS for at least one year out of the last two years before your final separation from the Postal Service or federal employment on which your retirement is based, *and*
- d. You did not receive a refund of the retirement contributions covering your final period of service.

#### Deferred Retirement: FERS

Employees covered by FERS are eligible for deferred retirement if they meet the following requirements:

- a. Age and service requirements as follows:
    - Minimum Retirement Age (MRA)—which is from age 55 to 57 depending on your year of birth—with at least 10 years of service, or
    - 62 years of age with at least 5 years of service, *and*
  - b. At least 5 years **MUST** be creditable civilian service, not military service.
  - c. If you have completed at least 10 and fewer than 30 years of service, your annuity will be reduced if it begins before age 62 (unless it begins after you've reached age 60 and you had at least 20 years of service). Your annuity will be permanently reduced 5% for each year you are under age 62. You may elect to postpone receiving your annuity to lessen this reduction.
5. If I take this incentive and voluntarily separate, can I apply for unemployment compensation benefits?

Yes. At the time of separation, you will receive an SF-8, *Notice to Federal Employees About Unemployment Insurance*, advising you of your right to file a claim for unemployment compensation.

**\* Note: Please be aware that if you choose an April 30th effective date, you may experience a delay in receipt of your first interim annuity payment from OPM due to the short processing**



*time involved.*

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