



***FISCAL YEAR 2005 BUYOUT
PLAN
FOR
THE OFFICE OF FIELD POLICY
MANAGEMENT***

February 2005

U.S. Department of Housing and Urban Development

Fiscal Year 2005 Buyout Plan for the Office of Field Policy Management

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Fiscal Year 2005 Buyout Plan for the Office of Field Policy Management

Background

The Office of Field Policy Management (FPM) is unique among HUD staff organizations both in that it must staff each of HUD's 80 Field Offices, and that its workload, by definition, cannot be transferred from one office to another.

The need to staff each of the 80 field locations, together with the inability to shift workload, presents FPM with inherently difficult challenges in managing its workforce. Over time reductions in FPM's full-time equivalent (FTE) ceiling, together with the random nature of attrition, have combined to aggravate these challenges in managing its workforce. As detailed below, further significant FTE reductions are expected in Fiscal Year (FY) 2006.

Number of Buyouts to be Offered

FPM is offering a total of 140 buyouts.

Eligibility Requirements

An employee is **eligible** to receive a buyout if the employee:

- Is in a position or category identified in Attachment I;
- Has been employed with HUD for at least three continuous years without a break in service;
- Voluntarily retires under early or optional retirement, or voluntarily resigns during the approved buyout period;
- Applies for a buyout between _____, and _____, in accordance with the application procedures outlined in this document; and
- Agrees to separate from the Department on or before **March 31, 2005**.

The following categories of employees will **NOT** be eligible to apply and are excluded from receiving a buyout:

- Employees occupying positions that are not listed as being eligible to receive a buyout as shown in the section below;
- Employees serving under an appointment with a time limitation;
- Employees who, during the previous 24 months, received a recruitment or relocation bonus, or within 12 months of the separation date, received a retention allowance;
- Employees who, during the 36-month period preceding the date of separation of that employee, performed service for which a student loan repayment benefit was or is to be paid under section 5379;
- Employees relocated to other positions/offices (under HUD's relocation programs) where relocation costs were incurred and the buyout offer falls within one year of the effective date of the relocation. Exceptions can be granted if the employee reimburses HUD for all relocation costs;
- Employees in receipt of a specific decision of involuntary separation for misconduct or unacceptable performance;
- Employees who previously received any buyout payment by the federal government under this Public Law or any other authority;
- Reemployed annuitants or other retirement system for employees of the Government;
- Employees who are or would be eligible for disability retirement;
- Employees with statutory reemployment rights who are on transfer employment with another organization;
- All employees serving under Schedule C, Career and Non-career SES, or Presidential appointments;
- All employees in occupations in all other offices not listed above including the: Office of the Inspector General; Office of Federal Housing Enterprise Oversight; Office of the Secretary; Office of Faith Based Community Initiatives; Office of Housing; Office of Congressional and Intergovernmental Relations; Office of Policy Development and Research; Office of Public and Indian Housing; Office of the General Counsel; Office of Administration; and Government National Mortgage Administration.

Retirement Eligibility

If you are under the Federal Employees Retirement System (FERS) or the Civil Service Retirement System (CSRS), you can take regular optional retirement if you are: 55 years of age with at least 30 years of service; 60 years of age with 20 years of service; or 62 years of age with 5 years of service. An employee under FERS is also eligible for an immediate annuity if he/she

has 10 years of service and has reached the minimum retirement age (55 if born before 1948, and gradually increasing to 57). An employee under CSRS must meet the one-of-last-two years coverage requirement and all employees must have at least five years of civilian service.

Retirement Benefits Questions

For specific information about your retirement from HUD, staff in the Employee Service Center (ESC) in Chicago is available to answer your questions. They can confirm your eligibility for retirement, calculate your estimated annuity, buyout payments, and review any special personal considerations, such as insurance, and respond to questions about the retirement application.

Specific ESC staff has been assigned (see below) to provide retirement counseling for you during this buyout period. The ESC staff may all be reached at (312) 353-5960.

Babette Spires ext. 2293 or Beverly Jumper-Sconiers ext. 2289

Denver (Region 8)
Fort Worth (Region 6)
Kansas City (Region 7)
Seattle (Region 10)

Marge Darcy ext. 2286 or Meta Seyton ext. 2291

Boston (Region 1)
New York (Region 2)
Philadelphia (Region 3)
San Francisco (Region 9)

Betty Wilkes ext. 2294 or Cheryl Lombre ext. 2288

Atlanta (Region 4)
Chicago (Region 5)

You may request a retirement estimate by completing the "Request for Retirement Benefits Estimate" online at <http://hudweb.hud.gov/po/arh/buyreq.htm>.

Resignation Questions

If you have questions about **resigning** (not retirement), including the amount of your buyout payment upon your resignation or benefits you may receive upon resignation, contact the ESC staff as listed above.

Buyout Application and Separation Windows

The buyout **application window** for submitting applications will be from _____, through _____. Buyout applications will be accepted by U.S. mail, express mail delivery, fax or hand delivery.

The buyout **separation window** allows employees approved for a buyout to be able to separate at anytime from _____ through **March 31, 2005**. Employees who submit an application for a buyout based upon optional retirement or a voluntary early retirement **must be eligible for the retirement by their date of separation.**

Application Procedures

All eligible employees who wish to apply for the buyout must complete the application form attached and submit it to the Office of Human Resources, by **5:00 p.m.**, on _____. No applications will be accepted after this date and time. Further, **no applications will be accepted before _____**. The application form must not be modified in any manner. Applications that have been modified or altered will not be accepted. No electronic applications will be accepted. **Incomplete applications will not be considered.**

Applicants that are unable to submit an application during the application period because the employee is on sick or annual leave, or in an official travel status may authorize their supervisor or another employee to submit an application on their behalf. This authorization should be a signed memorandum from the employee to the authorized individual and clearly state that the addressee is authorized to submit an application on behalf of the employee applying for a buyout. This memorandum should be attached to and submitted with the buyout application, and the signature block on the application should contain the written notation, "See attached memorandum." The person acting on behalf of the employee must ensure that all information requested on the application is completed. All applicants are encouraged to retain a copy of their buyout application for their records.

Approval of Buyout Applications

Approval of buyout applications will be done based on the targeted positions and ranking criteria described. Employees approved for buyouts will be able to separate at any time after approval but no later than **March 31, 2005**.

Applications will be approved based upon the employee's Service Computation Date (SCD) for leave. The employee with the earliest Service Computation Date for leave will be considered first. In the event two or more employees have the same SCD, the employee with the earlier date of birth will receive the buyout offer.

Applications will be approved/disapproved using organizational information in the Department's personnel/payroll database. Employees on detail to field or Headquarters offices or across Program Office lines will be considered for a buyout based on their **official** position of record.

Amount of Buyout Payment

The amount of the separation incentive (buyout) payment is an amount equal to the employee's calculated severance pay entitlement, or \$25,000, whichever is less. Separation incentive payments are based upon the standard severance pay calculation. However, incentive

payments are limited, by law, not to exceed \$25,000. Severance pay equals one week of basic pay for each of the first ten years of creditable federal service plus two weeks of basic pay for each year your age exceeds 40 years.

For an employee who separates with a buyout from a position covered by the Civil Service Retirement System (CSRS), HUD must withhold 1.45% for Medicare from the VSIP payment. For an employee who separates with a buyout from a position covered by the Federal Employees Retirement System (FERS), HUD must withhold 1.45% for Medicare, and 6.2% for Old Age Survivor Disability Insurance (OASDI) from the VSIP payment.

Separation Agreements

Employees who apply for a buyout should note that the application contains a separation agreement statement that the decision to resign or retire under these circumstances is entirely voluntary and that they agree to repay the incentive if they are reemployed by, or enter into a personal services contract with, the Federal government within five years of the date of the separation on which the buyout is based. This repayment must be made in full for the gross amount prior to the employee's first day of work at the new job. (The Secretary may request a waiver of such repayments from the Director, Office of Personnel Management.)

If an employee is selected to receive the voluntary separation incentive payment, these statements will serve as an agreement from the employee to resign or retire during the separation window described above. Employees not selected or approved to receive a buyout will not be bound by this commitment.

**U. S. Department of Housing and Urban Development
Buyout Application**

This application may be submitted via U.S. mail, express mail delivery, fax, or hand delivery.

Applicant's Name: _____ Program Office: _____

Title: _____ Occupational Series: _____

Grade Level: _____ HQ or Field Office Location: _____

Phone Numbers: Day (____) _____ Evening (____) _____

Service Computation Date: _____

The Office of Human Resources may need to contact you quickly to discuss your application. Please provide both a daytime and evening phone number.

Check one of the following boxes below and fill in the date you want the action to be effective in the space provided. The date must fall between _____ and _____.

If approved to receive a buyout payment, I agree to [please complete one of the actions below]:

- resign effective on _____.
- take early retirement effective on _____.
- take regular retirement effective on _____.

Separation Agreement

- My decision to resign or retire is entirely voluntary and has not been coerced.
- I understand that if my application is approved and I receive a buyout payment, I cannot be reemployed by the federal government, or enter into a personal services contract with the federal government, for five (5) years following the date of my separation unless I repay *the gross amount* to HUD. (In rare cases, the reemploying agency may be able to get a waiver of this restriction from the Office of Personnel Management.)
- I also understand that if this application is not approved, I am not bound to resign/retire on the date specified above.

Applicant's Signature

Date

THIS APPLICATION MAY BE FAXED TO (202) 708-0011 BY 5:00 p.m. (Eastern Time) on _____, _____.
Applications MAY NOT be submitted before _____.
LATE APPLICATIONS WILL NOT BE CONSIDERED.

FOR OFFICE OF HUMAN RESOURCES USE ONLY	
Employee's name: _____	<input type="checkbox"/> eligible to receive buyout <input type="checkbox"/> ineligible to receive buyout _____ Review official's signature
Employee's name: _____	<input type="checkbox"/> approved <input type="checkbox"/> disapproved <input type="checkbox"/> no buyout _____ Review official's signature
Reason for disapproval: _____	_____ Review official's signature