



*United States  
Office of Personnel Management  
Retirement and Insurance Service*

**Benefits Administration Letter**

Number: 98-111

Date: June 26, 1998

**SUBJECT: New Law Affecting Voluntary Early Retirement Authority**

On May 1, 1998, the President signed Public Law 105-174, the Supplemental Appropriations and Rescissions Act for FY 1998. Section 7001 of the Act provides special rules for Voluntary Early Retirement under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). The following is a summary of section 7001 and the implementing regulations.

- (1) After OPM approval of an agency's request for Voluntary Early Retirement Authority (VERA), the agency may limit a VERA offer to specific organizational units, occupational series or levels, or geographic locations. An agency may also limit VERA offers to specific time periods, or use other objective, nonpersonal factors to limit its offers. This rule is effective from June 15 through September 30, 1999.
- (2) From May, 1, 1998, through September 30, 1999, an employee is not eligible for an offer of Voluntary Early Retirement if the employee is serving in a time-limited appointment, or if the employee has not been on the agency's rolls continuously for at least 31 days before the agency's VERA request.
- (3) From May 1, 1998, through September 30, 1999, an agency cannot make a Voluntary Early Retirement offer to an employee who has been notified that he or she will be separated for misconduct or unacceptable performance.

The effect of the new law and regulations is to temporarily restore flexibilities that were eliminated by the September 12, 1997 decision of the U.S. Court of Appeals for the Federal Circuit in *Torres v. OPM*. We expect Congress to take up legislation at a later date that would permanently restore these flexibilities.

An agency with a previously-approved Voluntary Early Retirement Authority that wishes to utilize the flexibilities provided by the

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Retirement  
System*

*Federal Employees  
Group Life  
Insurance*

*Federal Employees  
Health Benefits  
Program*

*Federal Employees  
Retirement  
System*

new law and regulations must reapply for a new Voluntary Early Retirement Authority.

The regulations for these new rules can be found on our Web site, at [www.opm.gov/fedregis](http://www.opm.gov/fedregis). The regulations are also available in the June 15, 1998 Federal Register at 63 FR 23595.

Please call us at (202) 606-0960 with any questions, or e-mail [GPKELLER@OPM.GOV](mailto:GPKELLER@OPM.GOV).



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