



# SMALL OFFICE PROJECT OFFICE CLOSURE QUESTIONS AND ANSWERS

**(Based on Management proposed changes; may be amended following required Union bargaining)**

## TABLE OF CONTENTS

What is the Small Office Project? Why is HUD doing this?	3
What exactly is the “Small Office Project”?	3
How many offices are being closed?	3
Which offices are specifically being closed?	4
Why were some states with multiple offices unaffected by the office closure and consolidation process?	4
Are other closures planned in the future?	4
How much will HUD save by closing these 16 offices?	4
Do these closings have anything to do with Sequestration?	4
In a time of sequestration leading to furloughs, how and why are you going to give people buyouts? ..	4
Do you have an estimate of the total projected cost to complete the Small Office Project?	5
Why are all of the changes focused on the Field and not the Headquarters?	5
How will customer service be affected by the office closures and consolidations?	5
How and when will HUD implement the Small Office Project?	5
When will the closure process take place?	5
When will the closure and consolidation process begin?	6
When will the closure and consolidation process conclude?	6
What options will be able to impacted staff?	6
If personnel retire or separate, what will happen to the FTE?	6
When will HUD begin to see the financial savings from these changes?	6
I understand that the 16 offices are targeted to close by the end of the fiscal year. Has any consideration been given to extending that date for those offices that have leases that are not expiring and in fact remain in effect beyond that date?	6
Where is FPM with Union Negotiations? Specifically, is there an actual timeframe for them to take place?	6

Are there plans to reassess at this strategy if service gaps are detected? .....	7
Has HUD considered building access and security concerns when moving employees to other Federal buildings? .....	7
<b>What does this mean for jobs and for HUD staff? 7</b>	
<b>A. General questions about impact .....</b>	<b>7</b>
Is HUD offering employee buy outs to staff in the 16 impacted offices? If so, how much? .....	7
Will employees in the 16 impacted offices be offered early retirement? .....	7
D1(d): Is HUD offering employees in the 16 impacted offices relocation assistance? .....	7
Will employees lose their jobs as a result of these 16 offices closing? .....	8
What are you doing to help employees with the personal impact of these changes? .....	8
How long will I have to make my stay or go decision? How much time will be given to employees to consider relocation benefits, buyouts, and retirement? .....	8
Can you assure other employees that their jobs will not move, beyond the current plans? .....	8
Will buyouts and early out retirement authority be extended to other program areas to help reduce staffing in some of the other small offices that are not yet being closed? .....	8
How many employees are expected to take the buyout? .....	8
Doesn't headquarters need to know how many people will take the buyouts and retire before we can know what the staffing needs will be in the remaining offices? .....	9
How do you answer individuals who do not benefit from an early retirement, do not have the years of service to benefit from a buyout, and may have financial or family obligations that make them unable to relocate? .....	9
If I am not eligible to retire, do not take a buyout and decide to decline a directed reassignment to another local commuting area, what actions will be taken against me (if any) and will I be considered ICTAP-eligible when seeking other federal employment? .....	9
Is this part of an overall effort to reduce the number of HUD employees? .....	9
How is a transformation not a RIF? .....	9
<b>B: Questions specific to relocation mechanics .....</b>	<b>10</b>
Will staff have a choice in which office they move to or will they be given one option they can take or leave? .....	10
When will employees be notified of their relocation destination and how much time will staff be given to accept or decline the "offer?" .....	10
Will my current grade and step be transferred with me to the new position within my new office? ....	10
Rumors have been circulating that we will have to apply for new positions- are they true? .....	10
Will the relocation package include a Homebuyers Program? .....	10
If I choose to relocate and it proves unworkable, can I opt for a buyout? .....	10
<b>C: Questions specific to Voluntary Early Retirement ("early out") mechanics .....</b>	<b>11</b>
Could you please clarify if HUD has sought VERA (Voluntary Early Retirement Authority) and when an answer is expected back from OPM? .....	11

In the consideration of early out approval, will we be offered time added to our age and years of service? .....11

Will the 2% penalty a year apply if you are under the retirement age? .....11

D4: Questions specific to Voluntary Separation Incentive Payment (“buyout”) mechanics ..... 12

    You mentioned up to \$25,000 buyouts. Is this the amount everyone will receive and what are the relocation expenses? ..... 12

    Why not increase the \$25,000 buyout amount? After taxes, this amount is not sufficient to cover necessary expenses. A buyout of at least \$75,000 should be considered to have any sufficient assistance for early termination. .... 12

    Will the amount offered under the buyout be the lesser of: calculated severance pay or \$25,000.00? Will other elements such as performance help determine the amount offered under the buyout? ..... 12

    What if I’m not eligible for a buyout? The OPM guide to buyouts describes a number of restrictions, like three continuous years of service. Can you address this? ..... 12

    Has HUD applied for waivers from OPM so that all employees would be eligible for buyouts? As it sits now, many of new hires would be ineligible for the buyout because of their student loan repayments, for example. .... 12

    Will any waivers will be secured from OPM on the repayment requirement? For example, if a HUD employee separates and only later finds employment with another federal agency – will they have to repay the buyout?..... 13

    If employees accept the buyout, will they be given the proper paperwork to show that they have a hiring preference for vacant positions with other federal agencies? ..... 13

**WHAT IS THE SMALL OFFICE PROJECT? WHY IS HUD DOING THIS?**

**WHAT EXACTLY IS THE “SMALL OFFICE PROJECT”?**

HUD’s Office of Field Policy and Management (FPM) is managing towards the future. It is closing 16 of HUD’s 80 field offices this year in a cost-cutting move that will save the agency between \$110 and \$150 million over a 10-year period. The closures, which are expected to be completed early in fiscal year 2014, will affect approximately 120 employees. For more information, visit the Small Office Project website on HUD.gov [here](#).

Separately, the FHA’s Office of Multifamily Housing is transforming its operating model, including consolidating its presence in the field (among several other changes). This program was announced at the same time as the Small Office Project, but is a separate initiative. For more information, visit the Multifamily Transformation website on HUD.gov [here](#). *Note:* Roughly 35 Multifamily staff sit in one of the 16 offices being closed under the Small Office Project and so will be impacted by both efforts.

**HOW MANY OFFICES ARE BEING CLOSED?**

A total of 16 offices, affecting approximately 120 employees.

---

## WHICH OFFICES ARE SPECIFICALLY BEING CLOSED?

The following 16 field offices are being closed:

Region II: Camden, New Jersey and Syracuse, New York

Region IV: Orlando, Florida and Tampa, Florida

Region V: Springfield, Illinois; Cincinnati, Ohio; Flint, Michigan and Grand Rapids, Michigan

Region VI: Shreveport, Louisiana; Dallas, Texas and Lubbock, Texas

Region IX: Tucson, Arizona; Fresno, California; Sacramento, California and San Diego, California

Region X: Spokane, Washington

---

## WHY WERE SOME STATES WITH MULTIPLE OFFICES UNAFFECTED BY THE OFFICE CLOSURE AND CONSOLIDATION PROCESS?

All office closure decisions were based on the business needs of the Department. The affected offices have in common the fact that they are not home to Hubs or Centers delivering any of HUD's core programs, i.e., Housing, CPD, FHEO, PIH. Therefore, program delivery to these jurisdictions is not disrupted by the office closures.

---

## ARE OTHER CLOSURES PLANNED IN THE FUTURE?

No other closures are planned at this time. Any future closures will depend on the budget environment, business and mission requirements of the agency or mandates from Congress or OMB.

---

## HOW MUCH WILL HUD SAVE BY CLOSING THESE 16 OFFICES?

Savings may be realized in salaries and benefits; administrative service and lease costs; and technology costs. The total estimated operating costs as of the date of this communication is \$18.7 million annually for the identified 16 offices. However, actual savings will depend on the number of employees that select buyouts; the number of employees opting for reassignment and relocation; and the actual date the agency will be able to close an office. Savings are projected to range from \$110 million to \$150 million over a ten year period.

---

## DO THESE CLOSINGS HAVE ANYTHING TO DO WITH SEQUESTRATION?

No. Sequestration and the current budget challenges reinforce that the changes being planned are well timed and will help position the agency to meet future economic and resource challenges.

---

## IN A TIME OF SEQUESTRATION LEADING TO FURLOUGHES, HOW AND WHY ARE YOU GOING TO GIVE PEOPLE BUYOUTS?

Furloughs are a Department-wide decision by HUD to deal with an unexpected mandate from Congress. These proactive changes will help us take control of our long-term future. The combination of reassignments, buy-outs, and subsequent office closures will pay for themselves over the near term and represent significant savings over the long term.

---

## DO YOU HAVE AN ESTIMATE OF THE TOTAL PROJECTED COST TO COMPLETE THE SMALL OFFICE PROJECT?

Preliminary cost estimates have been developed. See the summary of cost estimates in the Federal Register Notices [here](#). For your reference, the same information for the Small Office Project can also be found in the Federal Register at this [link](#).

However, more accurate cost projections cannot be determined until the total number of employees that elect to take buyouts and directed reassignments are determined.

---

## WHY ARE ALL OF THE CHANGES FOCUSED ON THE FIELD AND NOT THE HEADQUARTERS?

HUD began the process of eliminating lease arrangements that are not cost effective in FY 2006. Prior to that time, HUD's headquarters presence in Washington, DC comprised the Robert C. Weaver Federal Building (Weaver Building) and six leased satellite locations. HUD initiated a program to consolidate its headquarters operations and in FY 2006, vacated 3,789 square feet of space at 400 Virginia Avenue, and reduced its space at L'Enfant Plaza by 51,934 square feet, yielding a combined annual rent savings of \$3,363,000. During FY 2008, 8,481 square feet at 501 School Street, NW was vacated, for an annual savings of \$393,000. This aggressive down-sizing has left HUD in a position where it is unlikely that further reductions of its headquarters presence are possible at this time.

During FY 2010, HUD closed its 14 kiosk information centers which had been located nationwide. This resulted in a rent reduction of approximately \$67,000 annually.

Since June, 2010, HUD has experienced space reductions at 27 of its field offices, resulting in a reduction of 48,525 square feet of space and an annual rent cost reduction of approximately \$1,522,500. While it may not be possible to continue to achieve this level of reduction at all HUD offices, it will be its goal.

---

## HOW WILL CUSTOMER SERVICE BE AFFECTED BY THE OFFICE CLOSURES AND CONSOLIDATIONS?

Every effort will be made to ensure there is minimal impact on HUD customers or the public. HUD is committed to continued effective customer service to the affected jurisdictions.

---

## HOW AND WHEN WILL HUD IMPLEMENT THE SMALL OFFICE PROJECT?

---

### WHEN WILL THE CLOSURE PROCESS TAKE PLACE?

This is projected to take place prior to the end of the FY 2013.

---

#### WHEN WILL THE CLOSURE AND CONSOLIDATION PROCESS BEGIN?

OPM has approved HUD's request for VSIP and VERA (buy-outs and early retirement) authority related to the Small Office Project; however, no actions to begin closing offices and notifying employees will begin until discussions and negotiations with the unions are complete.

---

#### WHEN WILL THE CLOSURE AND CONSOLIDATION PROCESS CONCLUDE?

The reassignment process is projected to conclude by October 2013.

---

#### WHAT OPTIONS WILL BE ABLE TO IMPACTED STAFF?

HUD will be offering buyouts (VSIP), early outs (VERA), and relocation assistance. See the section below on "*What does this mean for HUD staff?*" for more information.

---

#### IF PERSONNEL RETIRE OR SEPARATE, WHAT WILL HAPPEN TO THE FTE?

Some of the anticipated savings will be used to fund non-personnel expenditures to benefit the entire Department, i.e. in the Working Capital Fund to support automated systems improvements. Some of the savings will be reinvested to fund positions in locations designated by program areas.

---

#### WHEN WILL HUD BEGIN TO SEE THE FINANCIAL SAVINGS FROM THESE CHANGES?

It is anticipated the savings will be realized in FY 2014 and beyond.

---

#### I UNDERSTAND THAT THE 16 OFFICES ARE TARGETED TO CLOSE BY THE END OF THE FISCAL YEAR. HAS ANY CONSIDERATION BEEN GIVEN TO EXTENDING THAT DATE FOR THOSE OFFICES THAT HAVE LEASES THAT ARE NOT EXPIRING AND IN FACT REMAIN IN EFFECT BEYOND THAT DATE?

Offices will be closed when all the employees assigned to the office have departed, either through a buyout or a directed reassignment. This is anticipated by the end of FY 2013. The Department will realize savings when the agency vacates the space. It would not be feasible to extend or maintain the lease until a lease expires once there are no employees remaining in the office.

---

#### WHERE IS FPM WITH UNION NEGOTIATIONS? SPECIFICALLY, IS THERE AN ACTUAL TIMEFRAME FOR THEM TO TAKE PLACE?

The process of union negotiations has been initiated and we are hoping to conclude by the end of July. The collective bargaining agreements between HUD and its union include time frames for initiating bargaining. Information on these agreements is available on HUD@work. Bargaining unit employees may also wish to consult their union representatives for additional information.

---

**ARE THERE PLANS TO REASSESS AT THIS STRATEGY IF SERVICE GAPS ARE DETECTED?**

The need to avoid or minimize any negative customer service impacts is a critical consideration in planning for the closures. A customer service plan will be developed for each jurisdiction which takes into consideration the office closures.

---

**HAS HUD CONSIDERED BUILDING ACCESS AND SECURITY CONCERNS WHEN MOVING EMPLOYEES TO OTHER FEDERAL BUILDINGS?**

Yes, the safety and security of employees is a critical factor.

---

**WHAT DOES THIS MEAN FOR JOBS AND FOR HUD STAFF?**

---

**A. General questions about impact**

---

**IS HUD OFFERING EMPLOYEE BUY OUTS TO STAFF IN THE 16 IMPACTED OFFICES? IF SO, HOW MUCH?**

Yes. The buyouts will be up to \$25,000, the maximum amount authorized by law. See the following section on “Questions specific to Voluntary Separation Incentive Payment (“buyout”) mechanics” for more information

---

**WILL EMPLOYEES IN THE 16 IMPACTED OFFICES BE OFFERED EARLY RETIREMENT?**

Yes, to eligible employees. See the following section on “Questions specific to Voluntary Early Retirement (“early out”) mechanics” for more information

---

**D1(D): IS HUD OFFERING EMPLOYEES IN THE 16 IMPACTED OFFICES RELOCATION ASSISTANCE?**

Yes, we are proposing the full relocation entitlement afforded by GSA regulations for those employees who accept management directed reassignments. HUD staff can access HUD@work to access a national relocation guide which provides FAQs and detailed information related to relocation entitlements. The GSA also provides significant information on federal relocation policies [online](#). Employees can also contact the HUD Office of the Chief Financial Officer’s Relocation and Travel Office for more information. Specific contact information is provided on HUD@work.

Further information about eligibility for relocation will be provided when it is available. See also the following section on “Questions specific to relocation mechanics” for more information

---

**WILL EMPLOYEES LOSE THEIR JOBS AS A RESULT OF THESE 16 OFFICES CLOSING?**

Everyone in the 16 offices will have the opportunity to continue their service with HUD, albeit in a different location.

---

**WHAT ARE YOU DOING TO HELP EMPLOYEES WITH THE PERSONAL IMPACT OF THESE CHANGES?**

We understand the hardest part of this change is the personal impact to the employees who have given many years of service and dedication to our mission. But HUD must update its field structural to thrive in the 21<sup>st</sup> century. Employees can get counseling from the HUD Employee Assistance Program, and experts are available to walk anyone through the process of relocating or taking a buyout or early retirement. HUD staff should visit HUD@work for more information on the resources available to them, including specific points of contact for any question.

Moreover, as we make decisions about program specifics and timing in consultation with the unions, we will pass on new information promptly. We want to give employees as much time as possible to consider their options and make decisions for themselves and their families.

---

**HOW LONG WILL I HAVE TO MAKE MY STAY OR GO DECISION? HOW MUCH TIME WILL BE GIVEN TO EMPLOYEES TO CONSIDER RELOCATION BENEFITS, BUYOUTS, AND RETIREMENT?**

At this time, we are unable to specify the timeframes because we have not completed union negotiations. However, it is never too early to begin thinking about what could work best for your individual situation and make some tentative decisions.

---

**CAN YOU ASSURE OTHER EMPLOYEES THAT THEIR JOBS WILL NOT MOVE, BEYOND THE CURRENT PLANS?**

There are no other re-location plans at this time, but, like any agency, HUD must constantly balance scarce resources against program needs. That's what budget and management processes are all about. From time to time, we've had to make operational or structural changes, and we expect this need to continue.

---

**WILL BUYOUTS AND EARLY OUT RETIREMENT AUTHORITY BE EXTENDED TO OTHER PROGRAM AREAS TO HELP REDUCE STAFFING IN SOME OF THE OTHER SMALL OFFICES THAT ARE NOT YET BEING CLOSED?**

At this time, we are not anticipating expanding the authority to other areas.

---

**HOW MANY EMPLOYEES ARE EXPECTED TO TAKE THE BUYOUT?**

It's hard to project in advance since these are individual decisions. We will provide updates once the buyout process concludes.

---

DOESN'T HEADQUARTERS NEED TO KNOW HOW MANY PEOPLE WILL TAKE THE BUYOUTS AND RETIRE BEFORE WE CAN KNOW WHAT THE STAFFING NEEDS WILL BE IN THE REMAINING OFFICES?

Yes, we need to know the number of people accepting buyouts, retirements, and remaining staff in the offices in order to determine more accurate staffing levels.

---

HOW DO YOU ANSWER INDIVIDUALS WHO DO NOT BENEFIT FROM AN EARLY RETIREMENT, DO NOT HAVE THE YEARS OF SERVICE TO BENEFIT FROM A BUYOUT, AND MAY HAVE FINANCIAL OR FAMILY OBLIGATIONS THAT MAKE THEM UNABLE TO RELOCATE?

We understand personal obligations may preclude an employee from accepting the new assignment. The Department is committed to executing this reorganization in the most fair and respectful manner possible; however, the Department has an obligation to be fiscally responsible.

---

IF I AM NOT ELIGIBLE TO RETIRE, DO NOT TAKE A BUYOUT AND DECIDE TO DECLINE A DIRECTED REASSIGNMENT TO ANOTHER LOCAL COMMUTING AREA, WHAT ACTIONS WILL BE TAKEN AGAINST ME (IF ANY) AND WILL I BE CONSIDERED ICTAP-ELIGIBLE WHEN SEEKING OTHER FEDERAL EMPLOYMENT?

If a directed reassignment outside of the commuting area is declined, an involuntary separation will be initiated. If an employee is involuntarily separated, programs such as ICTAP, CTAP, transition assistance and/or severance pay are offered, if the program-specific eligibility requirements are met.

---

IS THIS PART OF AN OVERALL EFFORT TO REDUCE THE NUMBER OF HUD EMPLOYEES?

There is no overall effort to reduce HUD employees. The Department is closing these offices to better utilize its limited resources.

---

HOW IS A TRANSFORMATION NOT A RIF?

The goal of the SOP is simply to realign our staff resources to best support program delivery. Impacted employees will have options to stay with HUD in a new location. While it is very possible that at the conclusion of the Small Office Project some of today's staff may elect to leave, the purpose of the project is not to reduce the number of HUD employees.

## B: Questions specific to relocation mechanics

WILL STAFF HAVE A CHOICE IN WHICH OFFICE THEY MOVE TO OR WILL THEY BE GIVEN ONE OPTION THEY CAN TAKE OR LEAVE?

The specific options available to employees will be part of our union negotiations. We will share an update as soon as possible.

WHEN WILL EMPLOYEES BE NOTIFIED OF THEIR RELOCATION DESTINATION AND HOW MUCH TIME WILL STAFF BE GIVEN TO ACCEPT OR DECLINE THE “OFFER?”

We are committed to notifying employees as soon as possible. By making this information available as soon as possible, we hope to maximize the time employees will have to accept or decline the offer to relocate.

WILL MY CURRENT GRADE AND STEP BE TRANSFERRED WITH ME TO THE NEW POSITION WITHIN MY NEW OFFICE?

Yes. Your current grade and step will not be changed as a result of a reassignment to a new position if you are asked to relocate.

RUMORS HAVE BEEN CIRCULATING THAT WE WILL HAVE TO APPLY FOR NEW POSITIONS- ARE THEY TRUE?

No, you will not have to reapply for your job. Everyone will get a directed reassignment for a position.

WILL THE RELOCATION PACKAGE INCLUDE A HOMEBUYERS PROGRAM?

No, unfortunately, HUD does not have a program to purchase your current home if you are unable to sell it. Only OIG is able to purchase homes. For more information please see the National Relocation Guide, available online [here](#).

IF I CHOOSE TO RELOCATE AND IT PROVES UNWORKABLE, CAN I OPT FOR A BUYOUT?

We cannot yet share the details of how these buyouts and relocations will be executed, since this is subject to negotiations with the unions. We will share more information with you as soon as possible.

**C: Questions specific to Voluntary Early Retirement (“early out”) mechanics**

**COULD YOU PLEASE CLARIFY IF HUD HAS SOUGHT VERA (VOLUNTARY EARLY RETIREMENT AUTHORITY) AND WHEN AN ANSWER IS EXPECTED BACK FROM OPM?**

OPM has approved FPM’s request for VERA and VSIP authority related to the Small Office Project, which you can learn more about [here](#).

**IN THE CONSIDERATION OF EARLY OUT APPROVAL, WILL WE BE OFFERED TIME ADDED TO OUR AGE AND YEARS OF SERVICE?**

No, there are no regulatory provisions that allows for this.

**WILL THE 2% PENALTY A YEAR APPLY IF YOU ARE UNDER THE RETIREMENT AGE?**

Each employee’s situation is different. To receive individual retirement benefit counseling, please see the list of contacts below.

Contact this group...	If you are...	With a question about...
<b>FHA Operations Employee Services Support Division</b> 202-708-0820 <a href="mailto:Trumaine.Mathis@hud.gov">Trumaine.Mathis@hud.gov</a>	Part of Housing, especially if you are impacted by the Multifamily transformation	<ul style="list-style-type: none"> <li>Where you should go for more technical questions, if you don’t have the right point of contact</li> <li>Your eligibility for buyouts or early retirement (if offered to you) and other personnel questions. <i>Only BDP (below) can calculate your potential retirement benefits and annuities</i></li> </ul>
Bureau of Public Debt Benefits Call Center 304-480-8275 <a href="mailto:Benefits@bpd.treas.gov">Benefits@bpd.treas.gov</a>	Part of Housing – BPD currently only provides HR support to Housing	<ul style="list-style-type: none"> <li>Your eligibility for early retirement (if offered to you) and calculation of your annuities and retirement benefits based on years of service, age, and retirement plan</li> <li>Potential buyout benefits (if offered to you); FHA Operations ESSD (above) can also assist</li> </ul>
OCHCO Pay, Benefits and Retirements Branch Lorraine Smith, 202-402-7467	Any HUD staff <b>not</b> in Housing	<ul style="list-style-type: none"> <li>Your eligibility for early retirement (if offered to you) and calculation of your annuities and retirement benefits based on years of service, age, and retirement plan</li> <li>Potential buyout benefits (if offered to you)</li> </ul>

**We cannot currently answer questions about whether you individually will receive a buyout offer, early out offer, and/or relocation with directed reassignment. This will be determined in consultation with the union. We will update you as soon as possible.**

#### D4: Questions specific to Voluntary Separation Incentive Payment (“buyout”) mechanics

YOU MENTIONED UP TO \$25,000 BUYOUTS. IS THIS THE AMOUNT EVERYONE WILL RECEIVE AND WHAT ARE THE RELOCATION EXPENSES?

The regulation allows for up to \$25,000, but not everyone will receive the same amount. An individual’s buyout amount is dependent on many different factors. Relocation expenses will be paid to those who qualify. More information is available on the HUD@Work page:

<http://hudatwork.hud.gov/hudtransformation21/buyout.cfm>

WHY NOT INCREASE THE \$25,000 BUYOUT AMOUNT? AFTER TAXES, THIS AMOUNT IS NOT SUFFICIENT TO COVER NECESSARY EXPENSES. A BUYOUT OF AT LEAST \$75,000 SHOULD BE CONSIDERED TO HAVE ANY SUFFICIENT ASSISTANCE FOR EARLY TERMINATION.

Unfortunately, the \$25,000 Voluntary Separation Incentive Program (VSIP) maximum is set by federal law so HUD is unable to offer its employees more. For more information, see

<http://www.opm.gov/policy-data-oversight/workforce-restructuring/voluntary-separation-incentive-payments/guide.pdf>

WILL THE AMOUNT OFFERED UNDER THE BUYOUT BE THE LESSER OF: CALCULATED SEVERANCE PAY OR \$25,000.00? WILL OTHER ELEMENTS SUCH AS PERFORMANCE HELP DETERMINE THE AMOUNT OFFERED UNDER THE BUYOUT?

How the buyout is calculated will be included in the buyout plan, but according to regulations, the amount of the buyout is the lesser of an amount equal to severance pay or an amount determined by the Department head, not to exceed \$25,000. Performance is not a factor in the calculation of the buyout amount.

WHAT IF I’M NOT ELIGIBLE FOR A BUYOUT? THE OPM GUIDE TO BUYOUTS DESCRIBES A NUMBER OF RESTRICTIONS, LIKE THREE CONTINUOUS YEARS OF SERVICE. CAN YOU ADDRESS THIS?

Employees who do not meet the eligibility for VSIP and do not relocate will be involuntarily separated. If an employee otherwise meets the requirements, involuntary separation allows for the payment of severance pay. Severance pay only has a 12 month continuous service requirement as opposed to the 3 year continuous service for VSIP.

HAS HUD APPLIED FOR WAIVERS FROM OPM SO THAT ALL EMPLOYEES WOULD BE ELIGIBLE FOR BUYOUTS? AS IT SITS NOW, MANY OF NEW HIRES WOULD BE INELIGIBLE FOR THE BUYOUT BECAUSE OF THEIR STUDENT LOAN REPAYMENTS, FOR EXAMPLE.

The eligibility requirements for VSIP cannot be waived. Federal law prohibits the payment of a buyout to any employee on a service agreement for relocation, recruitment, or retention incentives and/or Student Loan Repayments benefits.

---

WILL ANY WAIVERS BE SECURED FROM OPM ON THE REPAYMENT REQUIREMENT? FOR EXAMPLE, IF A HUD EMPLOYEE SEPARATES AND ONLY LATER FINDS EMPLOYMENT WITH ANOTHER FEDERAL AGENCY – WILL THEY HAVE TO REPAY THE BUYOUT?

Unless reemployed by HUD, VSIP repayment waivers cannot be initiated by HUD. It is the responsibility of the new agency to request the waiver and certify that the new employee meets the waiver requirements.

---

IF EMPLOYEES ACCEPT THE BUYOUT, WILL THEY BE GIVEN THE PROPER PAPERWORK TO SHOW THAT THEY HAVE A HIRING PREFERENCE FOR VACANT POSITIONS WITH OTHER FEDERAL AGENCIES?

No hiring preference will be given. An employee who receives a voluntary separation incentive payment (VSIP) is considered to have voluntarily separated and therefore is not entitled to any form of placement assistance, such as the CTAP or ICTAP. Additionally, while an employee who elects to receive a VSIP is not precluded from reemployment with the Federal government, if he/she accepts new employment (including certain types of contract positions) within five years from the effective date of the separation, the entire VSIP must be repaid prior to the effective date of reemployment. These OPM procedures and policies can be found on HUD@Work [here](#).