

SEC. 1151. EXTENSION, REVISION, AND EXPANSION OF
AUTHORITIES FOR USE OF VOLUNTARY SEPARATION INCENTIVE
PAY AND VOLUNTARY EARLY RETIREMENT.

(a) REVISION AND ADDITION OF PURPOSES FOR DEPARTMENT OF DEFENSE VSIP- Subsection (b) of section 5597 of title 5, United States Code, is amended by inserting after `transfer of function,' the following: `workforce restructuring (to meet mission needs, achieve one or more strength reductions, correct skill imbalances, or reduce the number of high-grade, managerial, or supervisory positions),'.

(b) ELIGIBILITY- Subsection (c) of such section is amended--

(1) in paragraph (2), by inserting `objective and nonpersonal' after `similar'; and

(2) by adding at the end the following:

`A determination of which employees are within the scope of an offer of separation pay shall be made only on the basis of consistent and well-documented application of the relevant criteria.'

(c) INSTALLMENT PAYMENTS- Subsection (d) of such section is amended--

(1) by striking paragraph (1) and inserting the following:

`(1) shall be paid in a lump-sum or in installments;';

(2) by striking `and' at the end of paragraph (3);

(3) by striking the period at the end of paragraph (4) and inserting `; and'; and

(4) by adding at the end the following:

`(5) if paid in installments, shall cease to be paid upon the recipient's acceptance of employment by the Federal Government, or commencement of work under a personal services contract, as described in subsection (g)(1).'

(d) APPLICABILITY OF REPAYMENT REQUIREMENT TO REEMPLOYMENT UNDER PERSONAL SERVICES CONTRACTS- Subsection (g)(1) of such section is amended by inserting after `employment with the Government of the United States' the following: `, or who commences work for an agency of the United States through a personal services contract with the United States,'.

SEC. 1152. DEPARTMENT OF DEFENSE EMPLOYEE VOLUNTARY

EARLY RETIREMENT AUTHORITY.

(a) CIVIL SERVICE RETIREMENT SYSTEM- Section 8336 of title 5, United States Code, is amended--

(1) in subsection (d)(2), by inserting 'except in the case of an employee who is separated from the service under a program carried out under subsection (o),' after '(2)'; and

(2) by adding at the end the following:

(o)(1) The Secretary of Defense may, during fiscal years 2002 and 2003, carry out a program under which an employee of the Department of Defense may be separated from the service entitled to an immediate annuity under this subchapter if the employee--

(A) has--

(i) completed 25 years of service; or

(ii) become 50 years of age and completed 20 years of service; and

(B) is eligible for the annuity under paragraph (2) or (3).

(2)(A) For the purposes of paragraph (1), an employee referred to in that paragraph is eligible for an immediate annuity under this paragraph if the employee--

(i) is separated from the service involuntarily other than for cause; and

(ii) has not declined a reasonable offer of another position in the Department of Defense for which the employee is qualified, which is not lower than 2 grades (or pay levels) below the employee's grade (or pay level), and which is within the employee's commuting area.

(B) For the purposes of paragraph (2)(A)(i), a separation for failure to accept a directed reassignment to a position outside the commuting area of the employee concerned or to accompany a position outside of such area pursuant to a transfer of function may not be considered to be a removal for cause.

(3) For the purposes of paragraph (1), an employee referred to in that paragraph is eligible for an immediate annuity under this paragraph if the employee satisfies all of the following conditions:

(A) The employee is separated from the service voluntarily during a period in

which the organization within the Department of Defense in which the employee is serving is undergoing a major organizational adjustment.

`(B) The employee has been employed continuously by the Department of Defense for more than 30 days before the date on which the head of the employee's organization requests the determinations required under subparagraph (A).

`(C) The employee is serving under an appointment that is not limited by time.

`(D) The employee is not in receipt of a decision notice of involuntary separation for misconduct or unacceptable performance.

`(E) The employee is within the scope of an offer of voluntary early retirement, as defined on the basis of one or more of the following objective criteria:

`(i) One or more organizational units.

`(ii) One or more occupational groups, series, or levels.

`(iii) One or more geographical locations.

`(iv) Any other similar objective and nonpersonal criteria that the Office of Personnel Management determines appropriate.

`(4) Under regulations prescribed by the Office of Personnel Management, the determinations of whether an employee meets--

`(A) the requirements of subparagraph (A) of paragraph (3) shall be made by the Office, upon the request of the Secretary of Defense; and

`(B) the requirements of subparagraph (E) of such paragraph shall be made by the Secretary of Defense.

`(5) A determination of which employees are within the scope of an offer of early retirement shall be made only on the basis of consistent and well-documented application of the relevant criteria.

`(6) In this subsection, the term `major organizational adjustment' means any of the following:

`(A) A major reorganization.

`(B) A major reduction in force.

`(C) A major transfer of function.

`(D) A workforce restructuring--

`(i) to meet mission needs;

`(ii) to achieve one or more reductions in strength;

`(iii) to correct skill imbalances; or

`(iv) to reduce the number of high-grade, managerial, supervisory, or similar positions.'.

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM- Section 8414 of such title is amended--

(1) in subsection (b)(1)(B), by inserting `except in the case of an employee who is separated from the service under a program carried out under subsection (d),' after `(B)'; and

(2) by adding at the end the following:

`(d)(1) The Secretary of Defense may, during fiscal years 2002 and 2003, carry out a program under which an employee of the Department of Defense may be separated from the service entitled to an immediate annuity under this subchapter if the employee--

`(A) has--

`(i) completed 25 years of service; or

`(ii) become 50 years of age and completed 20 years of service; and

`(B) is eligible for the annuity under paragraph (2) or (3).

`(2)(A) For the purposes of paragraph (1), an employee referred to in that paragraph is eligible for an immediate annuity under this paragraph if the employee--

`(i) is separated from the service involuntarily other than for cause; and

`(ii) has not declined a reasonable offer of another position in the Department of Defense for which the employee is qualified, which is not lower than 2 grades (or pay levels) below the employee's grade (or pay level), and which is within the

employee's commuting area.

`(B) For the purposes of paragraph (2)(A)(i), a separation for failure to accept a directed reassignment to a position outside the commuting area of the employee concerned or to accompany a position outside of such area pursuant to a transfer of function may not be considered to be a removal for cause.

`(3) For the purposes of paragraph (1), an employee referred to in that paragraph is eligible for an immediate annuity under this paragraph if the employee satisfies all of the following conditions:

`(A) The employee is separated from the service voluntarily during a period in which the organization within the Department of Defense in which the employee is serving is undergoing a major organizational adjustment.

`(B) The employee has been employed continuously by the Department of Defense for more than 30 days before the date on which the head of the employee's organization requests the determinations required under subparagraph (A).

`(C) The employee is serving under an appointment that is not limited by time.

`(D) The employee is not in receipt of a decision notice of involuntary separation for misconduct or unacceptable performance.

`(E) The employee is within the scope of an offer of voluntary early retirement, as defined on the basis of one or more of the following objective criteria:

`(i) One or more organizational units.

`(ii) One or more occupational groups, series, or levels.

`(iii) One or more geographical locations.

`(iv) Any other similar objective and nonpersonal criteria that the Office of Personnel Management determines appropriate.

`(4) Under regulations prescribed by the Office of Personnel Management, the determinations of whether an employee meets--

`(A) the requirements of subparagraph (A) of paragraph (3) shall be made by the Office upon the request of the Secretary of Defense; and

`(B) the requirements of subparagraph (E) of such paragraph shall be made by the

Secretary of Defense.

`(5) A determination of which employees are within the scope of an offer of early retirement shall be made only on the basis of consistent and well-documented application of the relevant criteria.

`(6) In this subsection, the term `major organizational adjustment' means any of the following:

`(A) A major reorganization.

`(B) A major reduction in force.

`(C) A major transfer of function.

`(D) A workforce restructuring--

`(i) to meet mission needs;

`(ii) to achieve one or more reductions in strength;

`(iii) to correct skill imbalances; or

`(iv) to reduce the number of high-grade, managerial, supervisory, or similar positions.'

(c) CONFORMING AMENDMENTS- (1) Section 8339(h) of such title is amended by striking out `or (j)' in the first sentence and inserting `(j), or (o)'.

(2) Section 8464(a)(1)(A)(i) of such title is amended by striking out `or (b)(1)(B)' and `, (b)(1)(B), or (d)'.

SEC. 1153. LIMITATIONS.

(a) FISCAL YEAR 2001 LIMITATIONS ON VSIP- Section 5597 of title 5, United States Code, as amended by section 1151, is further amended by adding at the end the following new subsection:

`(i)(1) Notwithstanding any other provision of this section, during fiscal year 2001, separation pay may be offered under the program carried out under this section with respect to workforce restructuring only to persons who, upon separation, are entitled to an immediate annuity under section 8336, 8412, or 8414 of this title and are otherwise eligible for the separation pay under this section.

`(2) In the administration of the program under this section during fiscal year 2001, the Secretary shall ensure that not more than 1,000 employees are, as a result of workforce restructuring, separated from service in that fiscal year entitled to separation pay under this section.

`(3) Separation pay may not be offered as a result of workforce restructuring under the program carried out under this section after fiscal year 2003.'

(b) LIMITATIONS FOR FISCAL YEARS 2002 AND 2003 ON VSIP AND VERA- (1) Subject to paragraph (2), the Secretary of Defense shall ensure that, in each of fiscal years 2002 and 2003, not more than 4,000 employees of the Department of Defense are, as a result of workforce restructuring, separated from service entitled to one or more of the following benefits:

(A) Voluntary separation incentive pay under section 5597 of title 5, United States Code.

(B) Immediate annuity under section 8336(o) or 8414(d) of such title.

(2) Notwithstanding sections 5597(e), 8336(o), and 8414(d) of title 5, United States Code, the Secretary of Defense may carry out the programs authorized in those sections during fiscal years 2002 and 2003 with respect to workforce restructuring only to the extent provided in a law enacted by the One Hundred Seventh Congress.