RESOLUTION 12-28

SUBJECT: Separation Payment Recoupment under RIF/VSI/SSB/VSP

WHEREAS, The services use voluntary separation payments as a force management tool to reduce end strength through Reduction in Force (RIF), Voluntary Separation Incentive (VSI), Special Separation Benefit (SSB), and Voluntary Separation Program (VSP); and

WHEREAS, Individuals who separated voluntarily and then subsequently elected to join the Reserve Components are required to pay back to separation pay when they receive a qualifying retirement annuity according to Title 10 U.S.C., Sections 1174, 1175 and 1175(b); and

WHEREAS, The repayment acted as a negative incentive causing the Reserve Components to see very few of the over 77,000 individuals from Fiscal Year 1990 to Fiscal Year 1996 who separated under VSI SSB join the Guard or Reserve and the; and

WHEREAS, Many of those who remained in the Guard or Reserve have earned retirements due to the sustained wartime operations resulting from the terrorist attacks on the United States on September 11, 2001; and

WHEREAS, Repayment of these incentives causes a financial hardship on retired veterans: now therefore be it

RESOLVED, That AMVETS urge Congress to strike any legislative clause that requires repayment if an individual qualifies and receives a Uniformed Service retirement annuity; and be it further

RESOLVED, That VA ceases withdrawal of repayments for these incentives from an individual’s disability pay; and be it further

RESOLVED, These changes shall not be funded through offsets and reductions to the current compensation system or from reductions in Reserve force structure or readiness.