

# Federal Workforce Downsizing: Voluntary and Involuntary Mechanisms

February 6, 2025

The second Trump Administration has [stated plans to downsize](#) the federal workforce, which it has indicated may involve actions in which individuals' employment with federal agencies is ended (referred to as a *separation*) either voluntarily or involuntarily. There are several preexisting voluntary and involuntary mechanisms the executive branch may use to downsize its workforce. The Trump Administration has also announced a new voluntary deferred resignation program. Each of these mechanisms is described below.

## Voluntary Separations

### Deferred Resignation

Executive branch employees received an email on January 28, 2025, with the subject line “[Fork in the Road](#)” from the Office of Personnel Management (OPM), which allows employees to resign from their positions via a *deferred resignation* program. The email states that electing employees will be placed on administrative leave and retain their pay and benefits until September 30, 2025, if they accept deferred resignation. The deadline to opt in is February 6, 2025. The email states, “OPM is authorized to send this email under Executive Order 9830 and 5 U.S.C. §§ 301, 1103, 1104, 2951, 3301, 6504, 8347, and 8461.” OPM published a “[Frequently Asked Questions \[FAQ\]](#)” [webpage](#) and released a [guidance memorandum](#) that further instructs agencies on implementing this program.

OPM's FAQ webpage states that this program is available to all full-time employees “except for military personnel of the armed forces, employees of the U.S. Postal Service, those in positions related to immigration enforcement and national security, those in positions related to public safety, and those in other positions specifically excluded by your employing agency.... If you resign under this program, you will retain all pay and benefits regardless of your daily workload and will be exempted from all applicable in-person work requirements until September 30, 2025.”

Some commentators have [raised concerns](#) over OPM's authority to offer this separation program and about [its implementation](#), while the [White House](#) and [OPM](#) have defended the program.

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## Voluntary Early Retirement Authority (VERA)

Pursuant to Title 5, Sections 8336 and 8414, of the *U.S. Code*, and implementing regulations at Title 5, Sections 831.114 and 842.213, of the *Code of Federal Regulations*, VERA allows agencies to offer voluntary early retirement to certain employees in situations of restructuring or downsizing. Pursuant to those statutes and regulations, agencies must request and receive approval from OPM for VERA, which then lowers the age and years of service requirements for employees to be entitled to receive federal retirement benefits (i.e., down to age 50 with 20 years of service or any age with 25 years of service). Reportedly, OPM will approve VERA for executive branch agencies in conjunction with the deferred resignation program (also see OPM's FAQ on the program).

To be eligible for VERA, an employee must also meet other requirements, such as having been continuously employed by the agency for at least 31 days, serving in an appointment that is not time-limited, and not having received a final removal decision based upon misconduct or unacceptable performance. For additional details, see OPM's "VERA Guide." (Under a separate statutory authority, the Department of Defense may offer VERA without prior approval from OPM.)

## Voluntary Separation Incentive Payments (VSIPs)

In addition to (and often used in conjunction with) VERA, agencies may offer VSIPs to federal employees under Title 5, Sections 3521-3524, of the *U.S. Code* and Title 5, Part 576, of the *Code of Federal Regulations*. The VSIP authority, also known as buyout authority, "allows agencies that are downsizing or restructuring to offer employees lump-sum payments up to \$25,000 as an incentive to voluntarily separate." OPM's guide to VSIPs states that individuals that are re-employed by the federal government within five years after receiving payment generally must repay the VSIP amounts they received in full. Under Title 5, Section 3522(b), of the *U.S. Code*, before obligating any resources for such payments, each agency must submit a plan to OPM that outlines the intended use of the payments and a proposed organizational chart for the agency once the payments have been completed. The OPM website provides a VSIP request template form. Agencies compute the VSIPs on the basis of the lesser of:

An amount equal to the amount of severance pay the employee would be entitled to receive, as computed under 5 U.S.C. 5595(c), without adjustment for any previous payment made; or

An amount determined by the agency head, not to exceed \$25,000.

## Involuntary Separations: Reduction in Force

In the federal government, layoffs are referred to as *reduction in force (RIF) actions*, as authorized under current law. OPM is responsible for providing guidance to agencies on RIF procedures. When an agency is required to eliminate positions, RIF regulations (contained in Title 5, Part 351, of the *Code of Federal Regulations*) "determine whether an employee keeps his or her present position, or whether the employee has a right to a different position." As required by Title 5, Section 3502, of the *U.S. Code*, OPM's RIF regulations give effect to four retention factors:

1. Tenure of employment (i.e., type of appointment);
2. Veterans' preference;
3. Total creditable federal civilian and uniformed service; and
4. Performance ratings.

The regulations direct agencies to use RIF procedures when employees face separation or downgrading for a reason such as reorganization, lack of work, shortage of funds, insufficient personnel ceiling, or the

exercise of certain reemployment or restoration rights. [Furloughs](#) lasting longer than 30 calendar days or 22 discontinuous work days are considered RIF actions under the [regulations](#).

If employees are subject to RIF actions, the regulations direct agencies [to notify the employees 60 days in advance](#) of their release from employment. If a RIF is caused by circumstances that are not reasonably foreseeable, OPM may approve a notice period of less than 60 days, though notice must be given a minimum of 30 full days in advance of the employee's release from employment in these cases.

Individuals who are involuntarily separated under a RIF may be eligible for [severance pay](#) if they meet other conditions of eligibility specified in Title 5, Section 5595, of the *U.S. Code* and OPM regulations.

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