

**VOLUME 12, CHAPTER 10: “FUNDING CIVILIAN SEPARATION INCENTIVES
AND CIVILIAN PERSONNEL TRANSITION INITIATIVE”**

SUMMARY OF MAJOR CHANGES

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue and underlined font***](#).

The previous version dated October 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
1001	Updated hyperlink.	Update

Table of Contents

VOLUME 12, CHAPTER 10: “FUNDING CIVILIAN SEPARATION INCENTIVES AND CIVILIAN PERSONNEL TRANSITION INITIATIVE” 1

1001 DEFINITIONS 3

1002 GENERAL FUNDING POLICY 3

 100201. Separation Incentives/Outplacement Subsidies 3

 100202. Limitation of Funding 3

1003 PROCEDURES 3

 100301. Appropriated Fund Employees 3

 100302. Working Capital Fund Employees 3

 100303. Base Realignment and Closure Act 4

 100304. Foreign Military Sales Trust Fund 4

 100305. Placements Outside the Department 4

 100306. Controls over Available Funds 5

CHAPTER 10

**FUNDING CIVILIAN SEPARATION INCENTIVES
AND CIVILIAN PERSONNEL TRANSITION INITIATIVES**

1001 DEFINITIONS

For the purpose of this guidance, the term “civilian separation incentives” means resignation and retirement incentives and outplacement subsidies authorized by Title 5, United States Code and outlined under [Volume 1700](#) of [Department of Defense Instruction 1400.25](#), [DoD Civilian Personnel Management](#) that are offered to an employee, in order to induce the voluntary separation of that employee and/or create a vacancy for an employee of the same or another DoD Component.

1002 GENERAL FUNDING POLICY

100201. Separation Incentives/Outplacement Subsidies

DoD activities may pay up to \$25,000 for separation incentives or up to \$20,000 for outplacement subsidies from appropriations, funds, or accounts available for such purposes to an employee and/or to create a vacancy for another employee.

100202. Limitation of Funding

Funding by a DoD central account is not provided.

1003 PROCEDURES

Funds for separation incentives and outplacement subsidies shall be obligated when an employee accepts the offer of an incentive payment. The obligations shall be recorded in standard general ledger account 6400, “Benefit Expense,” and reported as object class 13.0, “Benefits for former personnel” for separation incentive and object class 12.1 for outplacement subsidies. The following guidance applies to the Separation Incentives Program:

100301. Appropriated Fund Employees

A DoD Component that offers civilian separation incentives to an employee, in order to induce the voluntary separation of that employee and/or to create a vacancy for another employee of the same DoD Component, shall fund the resulting separation payments from the applicable appropriation, fund or account that otherwise is available to pay for salaries and expenses of that DoD Component.

100302. Working Capital Fund Employees

Beginning in FY 1995, the Defense Working Capital Fund is authorized to pay for separation incentives.

100303. Base Realignment and Closure Act

Beginning in FY 1995, the Defense Base Closure Account is available for payment of separation incentives. The departmental policy contained in Volume 2B, subparagraph 070201 of this Regulation provides the general criterion to apply costs to the DoD Base Realignment and Closure Account.

100304. Foreign Military Sales Trust Fund

For employees paid from, or whose salaries are fully reimbursed by, the Foreign Military Sales (FMS) Trust Fund, an offer of separation incentives or civilian personnel transition initiatives (either to an FMS Fund civilian employee or a non-FMS Fund civilian employee to benefit an FMS Fund civilian employee) shall be funded as follows:

A. Separation incentives offered to an FMS civilian employee, in order to induce a voluntary separation of the FMS civilian employee, with the elimination of that FMS civilian employee position, shall be paid by the FMS Fund.

B. Separation incentives offered to an FMS civilian employee, in order to create a vacancy within the same DoD Component for another FMS civilian employee who otherwise would be separated, shall be paid by the FMS Fund.

C. Separation incentives offered to a non-FMS civilian employee, in order to create a vacancy for an FMS civilian employee who otherwise would have been separated, where the FMS civilian employee continues fully to support the FMS program, shall be paid by the FMS Fund.

D. Any costs of outplacement subsidy described in paragraph 100305 below, for an FMS civilian employee, shall be funded by the FMS Fund.

E. No other separation payments are chargeable to the FMS Fund.

100305. Placements Outside the Department

DoD activities may pay up to \$20,000 in Permanent Change of Station (PCS) costs associated with placement of a surplus DoD employee with another Federal Agency. When a DoD Component-offered outplacement subsidy is accepted, the DoD activity shall notify the gaining Federal Agency regarding outplacement services. The notification shall state that DoD funds may be billed up to \$20,000 per employee or for the actual PCS costs, whichever is less. The notification shall include the DoD fund citation to be billed and the address of the fiscal station paying the subsidy. Payment shall be made by the applicable DoD activity based upon documentation of the amounts paid or to be paid to the employee by the gaining Federal Agency.

100306. Controls over Available Funds

Controls shall be established to ensure that sufficient funds are available to cover projected requirements for employee acceptance of incentive offers and outplacement subsidies each quarter. Normal Antideficiency Act provisions apply to the DoD Component appropriations, funds and accounts. Therefore, if available funds are projected to be inadequate to cover anticipated incentive program acceptances and outplacement subsidies, appropriate action shall be taken. In this regard, the DoD Components either shall cancel or withdraw incentive offers prior to employee acceptance, or obtain additional funds.