

Voluntary Early Retirement (VERA): Questions to Ask to Make Your Decision

Federal employees facing downsizing or restructuring may be offered **Voluntary Early Retirement Authority (VERA)**. But is taking a **VERA** the right decision for you?

Beyond financial considerations, employees should reflect on their personal values, professional aspirations, and the mission they serve before making this life-changing choice.

Let's break down how VERA works, what it offers, and the key questions to ask for employees covered under Federal Employee Retirement System (FERS) before deciding whether to stay or retire.

What is VERA (Voluntary Early Retirement Authority)?

VERA allows eligible federal employees to retire **early** without the usual **FERS early retirement penalty**. However, it's not a one-size-fits-all solution.

Biggest Benefit?

Unlike standard **early retirement under FERS**, **VERA retirees do not face the 5% per year penalty** for retiring before age **62**.

However, **before accepting VERA**, employees should evaluate how staying in federal service **aligns with their career, mission, and impact goals**.

Key Differences: VERA vs. Standard Early Retirement Under FERS

Feature	VERA (Voluntary Early Retirement Authority)	Standard Early Retirement Under FERS
Eligibility	Offered only during workforce reductions, reorganization, or restructuring	Available to employees who meet MRA + service requirements
Minimum Age	No minimum age, but must have at least 20 years of service (age 50+) or 25 years of service at any age	MRA (55-57) + 30 years of service, or Age 60 + 20 years of service, or Age 62 + 5 years of service
Annuity Reduction	No 5% per year penalty for retiring before age 62	5% per year penalty for each year under 62 (unless meeting full retirement eligibility)
FERS Annuity Supplement (Social Security Bridge)	Yes, if retiring at MRA or later	Yes, if retiring at MRA or later
COLAs Before Age 62	No COLAs until age 62	No COLAs until age 62

Feature	VERA (Voluntary Early Retirement Authority)	Standard Early Retirement Under FERS
Earnings Test on Supplement	Applies once reaching MRA	Applies once reaching MRA

Who is Eligible for VERA?

To qualify for **VERA**, you must:

- ✓ Have at least **20 years of service at age 50 OR 25 years of service at any age.**
- ✓ Hold a position within an agency offering VERA due to **downsizing, restructuring, or reorganization.**

Not all agencies are offering VERA.

- ✓ Leave federal service while VERA is in effect.

Questions to Ask Before Accepting VERA

Financial & Retirement Considerations

- ✓ What is the required effective date for my agency's VERA offer, and by what date must I be off the agency's rolls to be eligible?
- ✓ How will my pension compare if I take VERA now vs. working a few more years?
- ✓ Will I qualify for the FERS Annuity Supplement, or will I have to wait until my MRA?
- ✓ How much will my supplement be, and will it be reduced by outside earnings?
- ✓ Do I need a Voluntary Separation Incentive Payment (VSIP) to make this financially viable?
- ✓ What happens to my income once the supplement stops at age 62?
- ✓ Am I financially prepared for the transition from the supplement to Social Security?
- ✓ Should I delay taking Social Security until after age 62 to maximize my benefits?
- ✓ How will early retirement impact my Federal Employees Health Benefits (FEHB) and life insurance?
- ✓ What are my post-retirement employment plans, and how will the earnings test affect me?
- ✓ Should I withdraw from my TSP immediately, or delay withdrawals to avoid penalties?

Mission, Impact & Personal Fulfillment Questions

- ◆ Does my current work align with my personal mission and purpose?
- ◆ What impact am I making on the American people through my agency's work?
- ◆ Would retiring now feel like leaving unfinished business, or is it the right time to transition?
- ◆ How would my knowledge, expertise, and mentorship contribute to my agency if I stayed?
- ◆ Would I miss the daily sense of purpose and structure that federal service provides?
- ◆ Would staying longer allow me to complete a project or initiative that matters to me?
- ◆ Am I walking away from a leadership or mentorship role that could inspire future leaders?

How Does the FERS Supplement (Social Security Bridge) Work for VERA Retirees?

If you retire under **VERA** and have reached your **MRA**, you are eligible for the **FERS Annuity Supplement** (often called the **Social Security Bridge**).

However:

- **Employees who retire before their MRA must wait until reaching MRA to receive the supplement.**
- **The supplement stops at age 62**, whether or not you claim Social Security.
- **An earnings test applies**—if you earn more than **\$22,320 (2024 limit)** in non-federal wages, the supplement is reduced **by \$1 for every \$2 earned** over the limit.

Additional Considerations for VERA Retirees

1. **Federal Employees Health Benefits (FEHB):**
 - If you've been covered for **at least 5 years**, you can **continue FEHB in retirement**.
2. **COLAs (Cost-of-Living Adjustments):**
 - Like standard FERS retirement, **VERA retirees do not receive COLAs until age 62**.
3. **Thrift Savings Plan (TSP) Withdrawals:**
 - If retiring at **55 or older**, you can withdraw from **TSP penalty-free**.
 - Retiring **before age 55** may trigger an **early withdrawal penalty**.

Resources for More Information

✦ **Office of Personnel Management (OPM) Retirement Services**

🔗 <https://www.opm.gov/retirement-services/>

✦ **Social Security Administration (SSA)**

🔗 <https://www.ssa.gov/>

✦ **FERS Supplement Calculation Guide**

🔗 <https://www.opm.gov/retirement-services/fers-information/types-of-retirement/>

✦ **Thrift Savings Plan (TSP) Withdrawal Options**

🔗 <https://www.tsp.gov/>

💡 **Tip:** Employees should consult their **HR department, a federal retirement specialist, or a financial advisor** to get a personalized retirement estimate.

Final Thoughts: Should You Take a VERA?

A **VERA retirement can be a great opportunity** to leave federal service early **without the 5% per year penalty**, but it's essential to consider **long-term financial impacts**.

More importantly, it's not just about **financial security**—it's about **personal mission, purpose, and professional fulfillment**.

👉 **Are you considering VERA? What concerns do you have? Drop your questions in the comments!**

https://www.govexec.com/workforce/2025/01/opm-will-grant-vera-authority-all-agencies-confusion-around-deferred-resignation-program-continues/402662/?oref=govexec_news_alert_nl&utm_source=Sailthru&utm_medium=email&utm_campaign=GovExec%20Alert:%20Jan.%2031%2C%202025&utm_term=newsletter_ge_alert