Separation Payment Recoupment
(Pay & Allowances)
Resolution No. 19-35

WHEREAS, the services used 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) which includes VSI/SSB; and

WHEREAS, individuals who separate voluntarily and then subsequently elect to join the Reserve Components are required to pay back the separation pay when they receive a qualifying retirement annuity according to Title 10, Sections 1174, 1175 and 1175b; and

WHEREAS, the repayment acts as a negative incentive causing the Reserve Components to see very few of the affected population of over 77,000 individuals from Fiscal Year 1990-1996 join the Guard or Reserve; and

WHEREAS, when recruiting goals are met the services miss the opportunity to recruit prior service personnel who have needed training and experience; and

WHEREAS, the Secretary of Defense hasn’t used his authority to waive repayment; and

WHEREAS, repayment of these incentives causes a financial hardship on retired veterans;

NOW, THEREFORE, BE IT RESOLVED, that ROA, chartered by Congress, urge Congress to strike or modify any legislative clause that requires separation repayment if an individual qualifies and receives a Uniformed Service retirement annuity; and

BE IT FURTHER RESOLVED, that the Veterans Administration cease withdrawal of repayments for these incentives from an individual’s disability pay; and

BE IT FURTHER RESOLVED, these changes should not be funded through offsets and reductions to the current compensation system or from reductions in Reserve force structure or readiness.

Adopted by the National Council, 7 Feb 2007
Source: Department of the District of Columbia, 16 May 2007