

**Separation Payment Recoupment
(6: Pay & Allowances)
Resolution No. 25-28**

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, d.b.a. Reserve Organization of America, urges 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.

Renewed: 21 May 2025, R&L Committee

Renewed: 2 Oct 2022, 29 Sept 2019 (Res 16-30), 14 Sept 2016, 10 Aug 2013, and 10 Feb 2010

Adopted by the National Council, 7 Feb 2007

Source: Department of the District of Columbia, 16 May 2007