



NCUA
National Credit Union Administration

NCUA's Voluntary Separation Program

May 22, 2025
Board Briefing

Workforce Optimization Initiative

- **Executive Order (EO) 14210, titled “Implementing The President’s ‘Department of Government Efficiency’ Workforce Optimization Initiative,” signed 2/11/2025**
- **On 2/26/2025, OMB and OPM issued guidance for implementing EO 14210**
- **As part of the agency’s efforts to downsize, the NCUA Board approved a voluntary separation program on 3/21/2025**



Goals

- **Achieve headcount reduction of 20% by end of 2025**
- **Orderly transition to new, streamlined future state**
- **Continue to meet NCUA's core mission, service to the public, and support the administration's priorities through better prioritization, efficiencies, teamwork, and technology**

Definitions / Acronyms

- **VSP = Voluntary Separation Program**
- **VERA = Voluntary Early Retirement Authority (OPM)**
- **NVSIP = NCUA Voluntary Separation Incentives Payment**
- **NDRP = NCUA Deferred Resignation Program**

NCUA VSP

- The last day of employment with NCUA for participating employees can be no later than December 31, 2025. Employees may elect to leave at any time.
- **Round 1 | Two options (Offered)**
 - (A) NDRP or (B) NVSIP of \$50,000 for regular retirement.
 - Enrollment period March 31, 2025, through May 5, 2025.
- **Round 2 | VERA with a NVSIP of \$50,000 (Not offered)**
 - If fewer than 217 employees had opted into Round 1, the agency would have offered Round 2.
 - If Round 2 had occurred, it would have commenced within one week of the close of Round 1 and would have concluded on May 19, 2025.

Round 1 Options

- **Option 1: NDRP**

- Open to almost all employees
- Placed on **paid administrative leave** within four weeks of signing program agreement until December 31, 2025; delay of the start date of administrative leave is permitted if sought by NCUA management and agreed to by employee
- VERA was offered to those that met OPM's eligibility requirements

- **Option 2: NVSIP**

- Open to employees eligible to regular (not early) retire by December 31, 2025
- Will receive a **\$50,000 payment** upon departure

VSP Results as of May 21, 2025

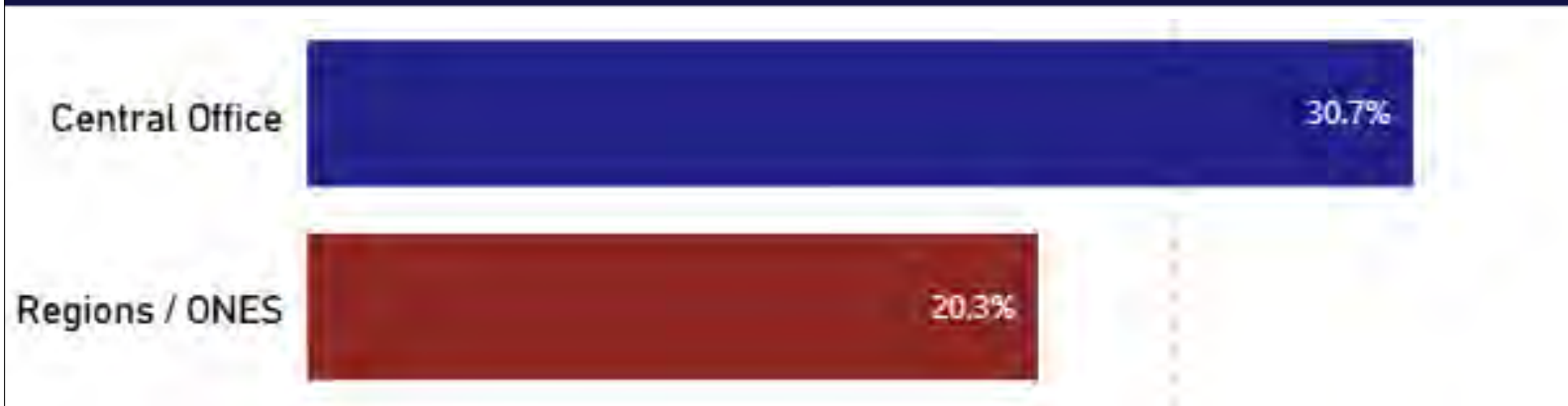
	Number
Enrolled (eligible)	297
Rescissions	40
Net	257
Pending Rescission Period	14
Net Final Range	243 – 257
NDRP	72%
NVSIP	28%

NDRP on Paid Admin Leave to Date (out of approx. 197)

152

VSP Participation - Enrollment

VSP Participation Rates by Category



- Net participation is slightly lower at 22%.

24.2%
average



Headcount/Position Reduction

	January 2025	May 2025
Authorized Positions	1,255	
Headcount (includes CLF)	1,214	1,203
Headcount less 152 employees on paid admin leave		1,051
Approx. Headcount after all VSP Departures (est. 250)		953
Reduction from Jan. 2025 Authorized Positions		24.1%
Reduction from Jan. 2025 Headcount		21.5%

Hiring Status

- **Hiring freeze**
- **Interim measures headcount neutral: details, non-competitive reassignments, reallocations, some temporary promotions**
- **Upon end of hiring freeze, maximum replacement hiring of 1 for every 4 departures, only in highest need areas and consistent with desired future state for organizational structure**



Estimated Cost Savings

- **2025 Budget can cover incremental costs of VSP in 2025**
- **Payroll and contract savings for 2026 estimated at \$75 million (gross)**
 - Net savings will depend on customary pay and benefits cost increases. For example, any new positions needed and investment in technology to:
 - Improve services
 - Operate with a lower headcount
 - Meet administration's priorities
 - Any other increases (inflation) in other cost categories
 - Majority of \$75 million gross savings expected to reduce 2026 budget

Next Steps

- **Conclude the Voluntary Separation Program**
- **Ensure an orderly transition and address immediate impacts**
- **Determine and implement future state of the agency**
 - Staff has and continues to contribute their ideas for streamlining processes and eliminating unnecessary or duplicative tasks/functions
 - Leadership is exploring options and evaluating ideas from employees and stakeholders
 - Will incorporate proposed future-state changes into the agency's draft 2026-2027 budget

Future State of the Agency

■ Guiding principles:

- Prioritizing statutory requirements and the most critical work
- Improving the customer experience
- Achieving and maintaining a lower headcount and ensuring vacancies are only filled in the highest areas of need
- Reducing and consolidating primary/main business units, grouping like functions to the maximum extent possible
- Achieving a higher supervisor to employee ratio
- Moving functions out of the headquarters to the regions closer to key NCUA stakeholders where appropriate
- Leveraging technology

Contact Us

Please submit suggestions or questions to the email addresses below.

Please send suggestions to Ask NCUA:

AskNCUA@ncua.gov

**Media, congressional, and intergovernmental inquiries should be directed to the
Office of External Affairs and Communications:**

OEACmail@ncua.gov

