

EARLY RETIREMENT OPTION (ERO) PROGRAM, 2009-10 (Revised)

1. Purpose

The purpose of the Early Retirement Option (ERO) program is part of an overall County plan to mitigate the need for layoffs of employees in a department. Employees in an affected job class, who are eligible for retirement, may be eligible to take advantage of this opportunity. When the employee takes the ERO incentive, this will prevent cutting of a position allocation that could affect another employee. By providing a retirement incentive, the County is able to realize both financial savings as well as the preservation of jobs for employees.

2. ERO Plan Eligibility

Eligibility to receive the ERO shall be determined in accordance with the following conditions:

- a. The employee is otherwise eligible to retire during the window period adopted by the Board of Supervisors and is currently employed in the department and within a job classification to which the incentive is offered.
- b. The employee's job classification or a related classification has been selected for an allocation reduction by the department in which they are employed and approved by the CAO.
- c. The retirement must be effective on or between June 16, 2009 and October 5, 2009.

3. Plan Provisions

An employee participating in the ERO shall be eligible to receive the following incentive payments based on the effective date of their retirement:

- a. If the employee retires during the pay period June 16 to June 29 they will receive \$ 6300 in extra salary;
- b. If the employee retires during the pay period June 30 to July 13, 2009 they will receive \$6000 in extra salary;
- c. If the employee retires during the pay period July 14 to July 27, 2009 they will receive \$5700 in extra salary;
- d. If the employee retires during the pay period July 28 to August 10, 2009 they will receive \$5400 in extra salary; and
- e. If the employee retires during the pay period August 11 to August 24, 2009 they will receive \$ 5100 in extra salary.
- f. If the employee retires during the pay period August 25 to September 7, 2009 they will receive \$4984 in extra salary.
- g. If the employee retires during the pay period September 8 to September 21, 2009 they will receive \$ 4707 in extra salary.
- h. If the employee retires during the pay period September 22, 2009 to October 5, 2009 they will receive \$ 4430 in extra salary.

An eligible employee will receive the incentive salary payment in their last pay period in a pay status prior to retirement. This is a pre-separation salary payment is paid while the individual is employed. It is not a post separation payment. This salary payment is included in the employee's compensation for

retirement purposes and as such both the County and employee will pay their respective retirement contributions on this amount. Additionally the employee is subject to whatever normal taxation that would apply. Employees returning to regular county employment (excludes extra help) shall be required to repay any ERO they received.

4. Department Conditions

The following conditions must be met by departments who offer ERO to their employees:

- a. The department head of the department in which the member is employed shall find and certify to the County Administrator's Office that the affected position or another vacant position will be eliminated or otherwise restructured, and that any resulting impact on departmental operations is reasonable and necessary in order to realize required economic savings.
- b. The County Administrative Officer shall review all requests and determine whether economic savings will result from granting such benefits and whether such savings are necessary to justify the cost to the County of funding such benefits.
- c. When an employee retires from a department as a result of the ERO the allocation they held, or another related allocation, will be eliminated and not re-filled for a period of two years, unless the department demonstrates a business necessity and receives approval from the County Administrator. Not refilling these allocations will ensure that the cost to the County of providing the ERO benefit will be offset by the overall savings to the County through the deletion of the allocation.

5. Process

The Board of Supervisors shall adopt by resolution a window period in which an employee retiring from a designated classification and within a designated department shall qualify for the ERO benefits listed herein. The Board of Supervisors shall list the department, classification and maximum number of ERO incentive slots available for that department and classification. In the event that more employees in a classification apply for early retirement than are authorized in the Board resolution, the number of designated ERO shall be awarded on a "first come, first serve" basis. If two employees apply on the same day, the tie shall be broken by the use of seniority as determined by the Civil Service Rules for layoff purposes.

6. Term

ERO incentives will only be offered to eligible employees who retire between June 15, 2009 and October 5, 2009.

7. Communication

The County and employee organizations may develop and distribute literature to represented employees that publicizes and explains the ERO program.

