



REQUEST FOR BOARD ACTION

ITEM NO. 15.

DATE OF MEETING: April 6, 2009

REQUESTED BY: Rick Benton, County Manager

SHORT TITLE: Resolution Authorizing Voluntary Early Retirement Plan

BACKGROUND: Pender County and all local governments are experiencing financial and budget pressures due to the state of the economy. Pender County initiated steps last fall to reduce FY 08/09 budget expenditures in advance of expected revenue shortfalls, identifying approximately \$1.4 million in budget reductions. Further, the County implemented a hiring freeze and travel restrictions. Currently there are 25 vacant positions resulting in an annual cost savings of approximately \$750,000. County departments have done a tremendous job in continuing to provide quality county services to our citizens while at the same time operating under increasing financial pressures. Nevertheless, the County must continue to consider ways to further reduce expenditures during this difficult financial time, and in anticipation of continued financial pressures on the FY 09/10 budget. Offering a voluntary early retirement program to the workforce may encourage early retirement of qualifying personnel, and at the same time may offer the County an opportunity to reorganize functions and thus reduce personnel costs.

The plan proposed is summarized as follows:

- A notice of intent to retire must be filed no later than April 20, and retirement date must be no later than August 1, 2009
- Employees must be age 50 by the date of retirement and have at least 20 years of creditable service in the NC Retirement System by the date of retirement
- Employees with 30 or more years of creditable service will receive severance pay in the amount of 480 hours (3 months)
- Employees with 25 but less than 30 years of creditable service will receive severance pay in the amount of 320 hours (2 months)
- Employees with 20 but less than 25 years of creditable service will receive severance pay in the amount of 160 hours (1 month)
- An employee's balance of vacation leave, up to 240 hours, will be paid out at their hourly rate
- Sick leave will convert to creditable service hours
- Health insurance coverage will be provided as set forth in Article VII Section 13 of the current Pender County Personnel Policy

SPECIFIC ACTION REQUESTED: To adopt a resolution authorizing the County Manager to offer this voluntary early retirement plan to County employees.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that:

the County Manager is authorized to implement the proposed voluntary early retirement program applicable to all County employees. The County Manager is authorized to execute any/all documents necessary to implement this resolution.

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Tate ___ Brown ___ Blanchard ___ Rivenbark ___ Williams ___

Jimmy T. Tate, Chairman

Date

ATTEST

Date

Pender County

Early Retirement Incentive Plan

2009

The Early Retirement Incentive Plan is a voluntary program which offers early retirement to Pender County employees who qualify. In a time of reduced operating revenues, this program offers a one-time severance pay to reduce long term operation expenses.

Employees who want to participate will be required to submit a declaration of intent which will be treated as a voluntary retirement. (resignation)

The form of intent must be submitted by April 20, 2009.

Qualifications

- You must be at least 50 years of age by date of retirement.
- You must have at least 20 years of creditable service in the NC Retirement System by date of retirement.

You can meet the creditable service requirement through work time, sick leave, purchased service, etc.

If the Retirement Systems has credited your account, the service qualifies under the county's Early Retirement Incentive Plan.

Severance Pay

<u>Category</u>	<u>Severance Pay</u>	<u>Personal Leave</u>	<u>Sick Leave</u>
30 or more years of Creditable Service	480 hours (3 months)	Your balance up to 240 hours paid out at your hourly rate.	Converts to Creditable Service. 160 hours = 1 month c.s.
25 but less than 30 years	320 hours (2 months)	Your balance up to 240 hours paid out at your hourly rate.	Converts to Creditable Service. 160 hours = 1 month c.s.
20 but less than 25 years	160 hours (1 month)	Your balance up to 240 hours paid out at your hourly rate.	Converts to Creditable Service. 160 hours = 1 month c.s.

Health insurance benefits as outlined in Article VII, Section 13 of the county's personnel policy will apply to early retirees.

It reads: **The county may provide health insurance in an amount equal to a single employee's coverage, who upon retirement meets one of the following criteria: (This is a benefit, not a right. This benefit may be canceled if in the opinion of the Board of County Commissioners it becomes too expensive for the county to maintain.)**

- Age 65 or older and have been previously employed by Pender County on a regular full-time basis for at least twenty (20) years. The county will pay Medicare supplement not to exceed amount equal to a single employee's coverage for employees.
- Age 55 or older and have been previously employed by Pender County on a regular full-time basis for at least twenty-five (25) years; amount equal to a single employee's coverage for employees and at age 65 pay for Medicare supplement in an amount not to exceed the cost of a single employee's coverage for employees, or
- Have been previously employed by Pender County on a regular full-time basis for at least thirty (30) years regardless of age. The county may pay for Medicare supplement in an amount not to exceed the cost of a single employee's coverage for employees.

Early Retirement Date Options

<u>Retirement Date Options</u>	<u>Declare Intent</u>	<u>Last Day of Work</u>
* July 1, 2009	April 20, 2009	June 30, 2009
August 1, 2009	April 20, 2009	July 31, 2009
September 1, 2009	April 20, 2009	August 31, 2009

***Depending on all paperwork being completed, submitted to, and processed by the Retirement System promptly.**

Pender County

Notice of Voluntary Resignation Pursuant to the Early Retirement Incentive Plan

I, the undersigned, hereby declare my intent to retire from Pender County pursuant to the Early Retirement Incentive Plan. I understand and agree that, in doing so, I am tendering my voluntary resignation. Further, I understand that if I should request to rescind this resignation, my employer has the right to refuse my request.

I have not been coerced in any way to participate in the Early Retirement Incentive Plan. My decision to separate from employment with Pender County under this Plan has been completely voluntary.

I also understand that I am responsible for determining the amount to which I will be entitled from the NC Retirement System and Pender County makes no representations or guarantees about any such payments.

Effective date of my retirement from Pender County: _____

Employee Signature

Witness Signature

PRINT Employee Name

PRINT Witness Name