AGENDA ITEM 4
April 27, 2010
Action

MEMORANDUM

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney

SUBJECT: **Action:** Expedited Bill 9-10, Personnel – Retirement Incentive Program

Management and Fiscal Policy Committee recommendation (2-0, Councilmember Navarro absent): approve the Bill with amendments.

Expedited Bill 9-10, Personnel – Retirement Incentive Program, sponsored by the Council President at the request of the County Executive, was introduced on March 23, 2010. A public hearing was held on April 13 and a Management and Fiscal Policy Committee worksession was held on April 19.

Background

Bill 9-10 would permit a Group A (unrepresented, non-public safety employees), Group E (Deputy Sheriffs and Correctional Officers) or Group H (non-public safety employees represented by MCGEO) member of the Employees Retirement System to apply to participate in the 2010 Retirement Incentive Program (RIP). An employee must be:

(1) eligible for:
- (a) normal retirement on or before June 1, 2010; or
- (b) early retirement, and within 2 years of meeting the criteria for normal retirement on June 1, 2010; and

(2) assigned to a position in a class of positions subject to a Reduction in Force (RIF).

The Chief Administrative Officer would approve applications from Executive Branch employees and the Council Staff Director would approve applications from Legislative Branch employees. The number of employees who can participate in the RIP in any affected class is limited to the number of positions in the affected class scheduled to be abolished. A participant would be able to choose an additional retirement benefit of $35,000, $30,000 plus an enhanced retiree life insurance benefit, or $28,000 plus an enhanced retiree health plan cost sharing benefit. In addition, a participant's pension benefit would not be reduced for early retirement.

Elected officials, appointed officials, employees of participating outside agencies, and employees who participate in either the Retirement Savings Plan or the Guaranteed Retirement

Income Plan would not be eligible to participate. Bill 9-10 would implement a side agreement with MCGEO.

Public Hearing

G. Wesley Girling, OHR Benefits Manager, testified in support of the Bill on behalf of the Executive. See ©14-15. Mr. Girling also discussed an amendment to the Bill proposed by the Executive that would give priority consideration to employees who applied for the 2009 RIP. See ©17-18. The Executive's proposed amendment would implement an agreement negotiated with MCGEO after submission of the original Bill to the Council.

Issues

1. What is the recent history of buyouts offered by the County?

The County Executive negotiated a retirement incentive program (RIP) with MCGEO in 2008. Expedited Bill 12-08, enacted by the Council on May 14, 2008 established the 2008 RIP which offered non-public safety County employees at normal retirement or within 2 years of normal retirement a $25,000 payment and a one-year waiver of the early retirement penalty in return for retiring on July 1, 2008.[1] The Executive negotiated a second RIP in 2009 with MCGEO that would have offered employees $40,000 plus a waiver of the early retirement penalty. However, the Council did not enact legislation implementing the 2009 RIP based upon an evaluation from the Office of Legislative Oversight estimating the FY10 savings to be $3.1 million with a 10-year payback beginning in FY11 of $20.2 million, leaving a net cost of the 2009 RIP of at least $17.1 million. The OLO analysis concluded that the projected savings from the retirements was more than offset if the County hired new employees, even at lower salaries, to fill most of the newly vacated positions.

The 2010 RIP would be the third consecutive year that the Executive negotiated a RIP with MCGEO. The 2010 RIP differs from both the 2008 RIP and the proposed 2009 RIP because eligibility for the 2010 RIP is limited to employees assigned to a position in a class of positions subject to the proposed RIF. Therefore, the positions vacated by the 2010 RIP could either be abolished or filled by employees who would otherwise be terminated due to the RIF.

2. What is the fiscal impact for the 2010 RIP?

Proposed RIP Benefits: an employee who accepts the retirement incentive would select one of the following four benefit options:

a. A $35,000 cash payment;[2]

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[1] OLO estimated the net cost of the 2008 RIP to be $12.8 million over 10 years. See excerpt from the 2009 OLO Report at ©16.

[2] Under all options that include a cash payment, the participating employee may elect to receive the cash benefit as a single lump sum payment or in 12 monthly payments.

b. A $30,000 cash payment with an enhanced post-employment life insurance benefit. (The retiree life insurance benefit reduces coverage from 100% to 25% during years six through ten after retirement. This option would hold life insurance coverage at 100% for ten years after retirement.);

c. A $28,000 cash payment with an enhanced post-employment health insurance benefit. (The County offers retiree continued health insurance coverage with the County paying either 70% or 80% of premium costs.[3] Under this option, the County would pay 90% of individual health insurance premium cost for ten years after retirement.); or

d. A one-time $35,000 contribution to the Guaranteed Retirement Income Plan (GRIP). (Under the GRIP, the County guarantees a 7.25% annual return on investments. RIP participants who select this option would be able to access this income at social security retirement age.)

In addition, the RIP would eliminate the early retirement penalty for program participants who were not yet eligible for normal retirement. The early retirement penalty is two percent for employees with credited service one year short of normal retirement and five percent for employees two years short of normal retirement.

The RIP can save payroll costs for participants who retire. However, it would also increase future year General Fund pension and retiree health insurance obligations by encouraging employees to retire earlier than planned and by forgiving early retirement penalties. The County must increase its annual contribution to the ERS Trust Fund to pay for the increased pension costs in future years. The enhanced retiree health costs would be paid directly out of the General Fund. The OLO Review of the Executive's proposed RIP to be discussed at this worksession estimated the net 10-year savings from the RIP at $8.7 million *if none of the vacated positions are refilled for the next 3 years.* However, OLO estimated a net loss of $5.6 million over 10 years if the estimated 150 vacated positions are refilled in the next 2 years.

3. Should the Bill define the different payment options?

The Bill permits a participant to choose an "enhanced retiree life insurance benefit" or an "enhanced retiree health plan cost sharing benefit." An employee may choose one of these options in return for a reduced lump sum payment.[4] However, the Bill does not define these options. These options are described in the Memorandum of Understanding with MCGEO. **Committee recommendation (2-0, Councilmember Navarro absent):** amend the Bill to include definitions for these terms. See lines 77-83 of the amended Bill at ©4-5.

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[3] A retiring employee hired before 1978 may choose to pay 30% of health insurance premium costs for lifetime or 20% of premium costs for the number of years after retirement that equals the retiree's years of credited service with the County Government.

[4] The OMB Fiscal Impact Statement fails to estimate the cost to the County for providing either of these alternative benefits. Therefore, we are unable to determine if the cost of either alternative benefit is equal to the corresponding reduction in the lump sum benefit.

4. Should the Council approve the Executive's recommended amendment?

After introduction of the Bill, the Executive transmitted a recommended amendment that would give employees who applied for the 2009 RIP priority consideration for the 2010 RIP. The proposed amendment would also permit the CAO or the Council Staff Director to deny an application for the RIP from an employee if the position to be vacated cannot be filled by another member of the affected class. See ©17-18.

Although the terms of the 2009 RIP were disclosed to eligible employees and applications were solicited and received, the Council did not approve the 2009 RIP due to its cost. The Executive's proposed amendment would give priority consideration to eligible members who applied for the 2009 RIP if the County receives more applications from an affected class than the number of positions that are abolished in the affected class. This could result in the selection of an application from a less senior member in an affected class over a more senior member.

The Executive's second proposed amendment would permit the rejection of an application from a member in an affected class who occupies a position that cannot be filled by another member of the affected class. For example, if the affected class is Manager II, an application for the RIP from a Manager II could be rejected if the position is unique and cannot be filled by a Manager II in another department whose position was abolished due to the unique qualifications for the position. This proposed amendment is consistent with the goal of targeting the RIP as a replacement for terminating an employee under the RIF.

Committee recommendation (2-0, Councilmember Navarro absent): approve the Executive's recommended amendments. See lines 152 to 162 of the amended Bill at ©7-8.

5. Should the Bill prohibit the rehire of employees who receive the benefit?

The OLO analysis of the 2009 RIP demonstrated that it would be a costly program if the positions vacated were refilled. The OLO review of the fiscal impact of the 2010 RIP[5] demonstrates that the program will save money only if the vacated positions remain unfilled for at least 3 years. One method to support this goal would be to require 2010 RIP participants to repay the lump sum benefit to the ERS Trust Fund if they return to County service as an employee or under a contract. The Executive Branch response to questions from OLO indicates that they do not expect to award any "knowledge contracts" to 2010 RIP participants.[6] An amendment to the Bill requiring the repayment of the lump sum by rehired participants would help ensure that this does not happen. **Committee recommendation (2-0, Councilmember Navarro absent):** amend the Bill to require repayment of the lump sum received before returning to County service. See lines 163-165 of the amended Bill at ©8.

The Committee also requested Council staff to explore additional alternatives to prevent the refilling of the positions vacated by the RIP. After the worksession, the Committee agreed to recommend an amendment to the Bill requiring certain reports from the Executive. **Committee**

[5] See the OLO Review of the Executive's Recommended FY11 RIF and RIP to be reviewed at this worksession.
[6] See OHR Response to OLO questions at ©19-32.

recommendation (2-0, Councilmember Navarro absent): add the reporting requirement shown on lines 166-176 of the Bill at ©8.

6. Should the Council approve the 2010 RIP?

The RIP can decrease the inevitable damage to employee morale resulting from the County's reduction-in-force by avoiding some forced terminations. As the OLO analysis demonstrates, the RIP can accomplish this goal in a cost effective manner *only if the vacated positions are not refilled in the next 3 years.* The 2010 RIP is designed in a manner that would permit the County to reach this goal. **Committee recommendation (2-0, Councilmember Navarro absent):** approve the Bill as amended.

This packet contains:	Circle #
Expedited Bill 9-10	1
Legislative Request Report	9
Memo from Executive	10
Fiscal Impact Statement	11
Testimony of Wes Girling	14
Excerpt from the 2008 OLO Report	16
Executive's Recommended Amendment	17
OHR Response to OLO Questions	19

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Expedited Bill No. 9 -10
Concerning: Personnel – Retirement Incentive Program
Revised: April 20, 2010 Draft No. 3
Introduced: March 23, 2010
Expires: September 23, 2011
Enacted: ______
Executive: ______
Effective: ______
Sunset Date: None
Ch. ___, Laws of Mont. Co. ______

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

(1) provide a retirement incentive program for certain members of the Employees' Retirement System; and
(2) generally amend the law regarding the Employees' Retirement System.

By amending
Montgomery County Code
Chapter 33, Personnel and Human Resources
Sections 33-40, 33-42, and 33-44

By adding
Montgomery County Code
Chapter 33, Personnel and Human Resources
Section 33-42A

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets]	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets]]	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Sections 33-40, 33-42, and 33-44 are amended as follows:

Sec. 33-40. Employer Contributions

* * *

<u>(e) Guaranteed Retirement Income Plan</u>

* * *

<u>(4) For any member who received a contribution to the member's guaranteed retirement income plan account under Section 33-42A, interest must be credited at an annual rate of 7.25%. If the annual 7.25% interest rate does not comply with applicable law, the third segment rate described in Internal Revenue Code Section 430(h)(2)(G) or any successor provision must apply. Interest must be credited to a member's guaranteed retirement income plan account balance on a monthly basis as of the last day of the month.</u>

33-42. Amount of pension at normal retirement date or early retirement date.

* * *

(b) Amount of pension at normal retirement date.

(4) Guaranteed retirement income plan. A member who retires on or after the member's normal retirement date<u>, except a member who receives a contribution under Section 33-42A,</u> may receive that member's vested guaranteed retirement income plan account balance under Section 33-44. <u>A member who receives a contribution under Section 33-42A must not receive a distribution of the member's guaranteed retirement income plan account balance until the member attains the Social Security retirement age.</u>

* * *

33-44. Pension payment options and cost-of-living adjustments.

*   *   *

(g) *Distributions from the Guaranteed Retirement Income Plan.* [Upon termination of County employment, a] A participant who receives a contribution under Section 33-42A must not receive a distribution until the participant attains the Social Security retirement age. Any other participant may receive a distribution when the participant terminates County employment.

A participant may [request] elect a distribution from the guaranteed retirement income plan of a participant's vested guaranteed retirement income plan account balance as follows:[.]

(1) Lump Sum Method of Distribution. Unless a participant elects an annuity under paragraph (2), a participant must receive the participant's vested guaranteed retirement income plan account balance in a single lump sum. The participant may have the lump sum paid as a direct rollover to an eligible retirement plan, as defined in the Internal Revenue Code.

(2) Annuity Method of Distribution. A participant may elect to receive the participant's guaranteed retirement income plan account balance paid in:

(A) a single life annuity payable to the participant during the life of that participant; or

(B) a joint and survivor annuity payable to the participant over the participant's lifetime and, at the participant's death, payable to the designated beneficiary (spouse, domestic partner, or children only) who survives. Payments must be made for the designated beneficiary's lifetime in the amount payable to the participant or another amount elected by the participant, but not less than 10 percent of the amount payable to the participant. [The Board must use the participant's vested guaranteed retirement income plan account balance to buy an annuity contract from an insurance company authorized to do business in the State.]

(3) No other form of payment options listed in this Section is available to guaranteed retirement income plan participants.

Sec. 2. Section 33-42A is added as follows:

33-42A. 2010 Retirement Incentive Program.

(a) Definitions.

Affected class means an occupational class or a group of occupational classes in a department, including all classes in an occupational series at and below the budget level class, if:

(1) the class includes a position that the department director intends to eliminate; and

(2) eliminating the position may cause an employee in the class to be demoted or terminated.

Affected employee means an employee assigned to a position in an affected class who has received a notice of intent or notification of a Reduction in Force (RIF).

Enhanced retiree life insurance benefit means no reduction in any provided basic life insurance benefit for the first 10 years after the employee's retirement date.

Enhanced retiree health plan cost sharing benefit means a County contribution of 90% of the premium for individual coverage for any health insurance plan provided by the County for the first 5 years after the employee's retirement date.

(b) *Eligibility.*

(1) A Group A, E or H member who is employed in a part time or full time position may apply to participate in the 2010 Retirement Incentive Program if the member:

(A) is eligible for:

(i) normal retirement on or before June 1, 2010; or

(ii) early retirement, and is within 2 years of meeting the criteria for normal retirement on June 1, 2010; and

(B) is an affected employee.

(2) A member is not eligible to participate in the 2010 Retirement Incentive Program if the member:

(A) receives a disability retirement under Section 33-43;

(B) receives a discontinued service retirement under Section 33-45(d);

(C) is an elected or appointed official; or

(D) is employed by a participating agency.

(3) A member must apply to participate in the 2010 Retirement Incentive Program, must complete all required forms by May 14, 2010, and must retire on June 1, 2010.

(4) A member who applies for a disability retirement under Section 33-43 must not receive any benefit under this Section unless the member's application for disability retirement is denied and all appeals from that denial are exhausted.

(c) *Early retirement reduction.* A member's pension benefit must not be reduced for early retirement if the member is eligible for early retirement and within 2 years of eligibility for normal retirement.

(d) *Additional Retirement Benefit.* In addition to the pension benefit calculated under this Section, a participant must elect one of the following additional retirement benefits. A part time participant must receive a pro-rata portion of the applicable retirement benefit, based on that participant's percent of budgeted full time employment.

(1) $35,000 pension benefit;

(2) $30,000 pension benefit and an enhanced retiree life insurance benefit; or

(3) $28,000 pension benefit and an enhanced retiree health plan cost sharing benefit.

(e) The participant must elect to receive the cash portion of the additional pension benefit paid under Subsection (d) as:

(1) a single lump sum on July 1, 2010:

(A) to the member or the member's designated beneficiary if the member dies before receiving the lump sum payment;

(B) as a direct rollover to an eligible retirement plan (as defined in the Internal Revenue Code); or

(C) a combination of (A) and (B);

(2) 12 equal monthly payments beginning on July 1, 2010:

(A) to the member or the member's designated beneficiary if the member dies before receiving all 12 payments;

(B) as a direct rollover to an eligible retirement plan (as defined in the Internal Revenue Code); or

(C) a combination of (A) and (B);

(3) a contribution to an account established for the member under the guaranteed retirement income plan. A member must receive the member's guaranteed retirement income plan account balance when the member attains the Social Security retirement age; or

(4) an additional pension benefit paid over the member's lifetime in the pension option elected by the member under Section 33-44, beginning on July 1, 2010.

(f) *Cost of Living.* Any cost of living adjustment does not apply to this benefit. A cost of living adjustment under Section 33-44(c) must not include the additional pension benefit paid under this Section.

(g) *Approval.* The Chief Administrative Officer must approve a request to participate in the program from a member employed in the Executive Branch. The Council Staff Director must approve a request to participate from a member employed in the Legislative Branch. The Chief Administrative Officer and the Council Staff Director must not approve more applications from an affected class than the number of positions that are abolished in the affected class. The Chief Administrative Officer and the Council Staff Director may disapprove an application if a vacancy created by a member participating in the program cannot be filled by a member of an affected class. If more members apply to participate in the program than the number of positions abolished, the [[participant's]] participants must be approved in order of County seniority[[. Seniority must be]] calculated under the RIF personnel regulation in the following order:

(1) participants who applied for the proposed 2009 Retirement Incentive Program; and

(2) all other participants.

(h) *Repayment.* A participant must repay the lump sum benefit received to the Employees' Retirement System Trust Fund before returning to County service as an employee or under a contract.

Sec. 3. Reports.

By July 1, 2010, the Executive must submit a report to the Council that lists the number of employees in each affected class within each department or office who, due to the abolishment of positions in the approved FY11 operating budget, either:

(a) retired with a discontinued service pension; or

(b) participated in the retirement incentive program.

The Executive's Recommended Budgets for FY12, FY13, and FY14 must compare the number of positions in each class of positions eligible for the retirement incentive program approved for funding in FY11 with the number of positions in the same class recommended for funding in the recommended budget.

Sec. 4. Effective Date.

The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date when it becomes law.

Approved:

Nancy Floreen, President, County Council Date

Approved:

Isiah Leggett, County Executive Date

LEGISLATIVE REQUEST REPORT

Expedited Bill 9-10

Personnel – Retirement Incentive Program

DESCRIPTION: Expedited Bill 9-10 would establish a retirement incentive program targeted for employees who occupy a class within an occupational series affected by the Reduction in Force (RIF) across departments. A participant must be eligible for normal retirement or within 2 years of meeting the criteria for normal retirement.

PROBLEM: The Executive's proposed FY 2011 operating budget would abolish 232 filled positions. Bill 9-10 would reduce the adverse impact on affected employees of these reductions in force by providing an incentive for senior employees in an affected class to voluntarily retire.

GOALS AND OBJECTIVES: Bill 9-10 would reduce the number of employees who are terminated due to the reduction in force by increasing the number of senior employees in each affected class who voluntarily retire.

COORDINATION: Office of Human Resources, Office of the County Attorney

FISCAL IMPACT: Office of Management and Budget

ECONOMIC IMPACT: fiscal impact statement to be provided at a later date

EVALUATION: n/a

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

March 16, 2010

TO: Nancy Floreen, President
Montgomery County Council

FROM: Isiah Leggett, County Executive

SUBJECT: Expedited Bill to Create a Retirement Incentive Program

I am attaching for Council introduction an Expedited Bill which would establish a targeted retirement incentive program (RIP) for members of the Employees' Retirement System in Group A (unrepresented), Group H (MCGEO represented), and Group E (Department of Corrections unrepresented and MCGEO represented). Participation in the 2010 RIP is limited to employees who occupy a class within an occupational series affected by the reduction in force (RIF) across departments and who meet the criteria for either normal retirement or for early retirement and are within two years of normal retirement. Eligibility for the RIP is limited to the number of positions in the affected class targeted for abolishment. The bill provides a choice of financial incentives for employees who elect to participate in the RIP.

A targeted RIP is one of a variety of ways that we are trying to reduce the impact of the FY 2011 budget cuts on employee reductions in force. This bill results from a negotiated side agreement with the Municipal & County Government Employees Organization/United Food and Commercial Workers Union Local 1994 during recent collective bargaining. A fiscal impact statement will be provided to the Council at a later date.

Attachments

IL: sw

OFFICE OF MANAGEMENT AND BUDGET

Isiah Leggett
County Executive

Joseph F. Beach
Director

MEMORANDUM

April 9, 2010

TO: Nancy Floreen, President, County Council

FROM: Joseph F. Beach, Director

SUBJECT: Expedited Bill 9-10, Retirement Incentive Program 2010

The purpose of this memorandum is to transmit a fiscal impact statement to the Council on the subject legislation.

LEGISLATION SUMMARY

The expedited bill amends the Employees' Retirement System to provide a one-time Retirement Incentive Program (RIP) for members of retirement Groups A, E, and H, who are eligible for normal retirement or eligible for early retirement and within two years of normal retirement eligibility. In his recommended FY11 Budget, the County Executive indicated he intended to offer a RIP in coordination with the proposed reduction in force (RIF). The goal of the RIP is to limit the number of employees who are separated from the County workforce involuntarily by allowing more senior employees to elect retirement. It should be noted that the recommended budget includes 452 position abolishments with 232 of those positions being currently filled.

The terms of the proposed incentive were negotiated with MCGEO Local 1994, and will provide a $35,000 payment to eligible full-time plan participants who retire June 1, 2010. Eligible part-time plan participants would receive a pro-rated incentive based on their percent of full time employment. The retirement incentive will only be paid to employees who occupy a class that is affected by the RIF, and will be limited to the number of occupied positions scheduled to be abolished. There will be a corresponding position abolishment for a vacancy resulting from the RIP.

The incentive may be paid in either a lump sum or over time, at the election of the retiree. Anyone retiring early would also have their early retirement penalty waived. Eligible employees will have the option to receive a smaller incentive payment in exchange for a limited enhancement to either post retirement life insurance or health insurance benefits.

It is estimated that between 100 and 150 employees will elect to retire under this plan and that positions vacated as a result of the RIP will either be abolished or an employee whose position is being abolished will be transferred into the vacated position. In either case there will be a corresponding position abolishment for every employee who retires under the RIP.

FISCAL SUMMARY

The legislation is expected to increase retirement system cost because employees will be retiring sooner than anticipated and will be receiving an enhanced retirement benefit. The incentive payment will come from the Employee's Retirement System (ERS) with the cost amortized over a ten year period. The ultimate cost to the ERS will depend on the number of employees that elect the plan.

That attached letter from the plan Actuary, Mercer Consulting, outlines the assumptions used to estimate the cost to the ERS for the incentive plan. Also attached is an exhibit that indicates overall savings will be achieved due to the decision to only offer the RIP to employees in instances where positions will be abolished. Under the assumptions displayed in the attached exhibit, if 156 employees elected to participate in the RIP, the gross savings in FY11 would be $14.5 million offset by $3.6 million in costs (amortization of incentive payments) for net savings of $10.8 million. The total net savings over ten years is estimated at $26.2 million. While this exhibit reflects cost and savings assuming 156 eligible employees elect the incentive, it is uncertain how many employees will retire under the plan since the decision to participate will depend on the unique circumstances of each individual employee.

The plan actuary will be asked to separately account for the cost to the ERS when he completes the July 1, 2010 actuarial valuation.

The following contributed to and concurred with this analysis: G. Wesley Girling, Office of Human Resources, Alex Espinosa and Lori O'Brien, Office of Management and Budget.

JFB:lob

Attachments

c: Joseph Adler, Director, Office of Human Resources
Kathleen Boucher, Assistant Chief Administrative Officer
Dee Gonzalez, Offices of the County Executive
G. Wesley Girling, Office of Human Resources
Alex Espinosa, Office of Management and Budget
Lori O'Brien, Office of Management and Budget

Assumptions

	Normal	Early	
Number Eligible for Normal Retirement	122	34	
Percent that Accept Incentive	100%	100%	
Number that Accept Incentive	122	34	
Average Salary - Incentive Taker	$81,281	$74,802	Ignores overtime
Average Avoided Soc. Sec. Cost to County	$6,137	$5,649	Ignores tax on overtime
Average Avoided Health Ins. Cost to County	$0	$0	
1st Year Avoided Retirement - Abolished	$0	$0	only true savings is reflected in Normal Cost below
1st Year Avoided Retirement - Refilled	$0	$0	
Normal Pension Cost Savings (Per Retiree)	$6,789	$9,157	
Percent of Positions Abolished:	100%	100%	
Number of Positions Abolished	122	34	
Average Salary - Replacement Hire	$0	$0	No replacements
Average Annual Benefit - Replacement Hire	$0	$0	No replacements
Avg. Lapse to Rehire Replacement (months)	0	0	No replacements
Amortized Pension Costs (Per Retiree)	$22,608	$26,163	Includes $35,000 incentive for retirees
Amortized OPEB Costs Per Retiree	$0	$0	roughly a wash - active or retired benefits
Average Years of Service Reduced	4	5.5	
Post Retirement Abolishment Rate (No RIP)	100%	100%	
Average Annual Leave Payout	$8,400	$8,400	

		1	2	3	4	5	6	7	8	9	10	11	
Savings		Year 1 -FY10	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Total
Salary/Benefits - Abolished													
	Normal Retirees	$888,546	$10,662,556	$10,662,556	$10,662,556	$9,774,010	$0	$0	$0	$0	$0	$0	$42,650,224
	Early Retirees	$227,378	$2,728,534	$2,728,534	$2,728,534	$2,728,534	$2,728,534	$1,136,889	$0	$0	$0	$0	$15,006,937
Salary/Benefits - Refilled													
	Normal Retirees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Early Retirees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Normal Pension Cost Savings													
	Normal Retirees	$69,022	$828,258	$828,258	$828,258	$759,237	$0	$0	$0	$0	$0	$0	$3,313,032
	Early Retirees	$25,945	$311,338	$311,338	$311,338	$311,338	$311,338	$129,724	$0	$0	$0	$0	$1,712,359
Lapse													
	Normal Retirees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Early Retirees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Deferred Leave Payout													
	Normal Retirees	$0	$0	$0	$0	$1,024,800	$0	$0	$0	$0	$0	$0	$1,024,800
	Early Retirees	$0	$0	$0	$0	$0	$285,600	$0	$0	$0	$0	$0	$285,600
TOTALS		$1,210,891	$14,530,686	$14,530,686	$14,530,686	$14,597,918	$3,325,472	$1,266,613	$0	$0	$0	$0	$63,992,952

Costs		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Total
Amortized Pension Costs*													
	Normal Retirees	$0	$2,758,176	$2,758,176	$2,758,176	$2,758,176	$2,758,176	$2,758,176	$2,758,176	$2,758,176	$2,758,176	$2,758,176	$27,581,760
	Early Retirees	$0	$889,542	$889,542	$889,542	$889,542	$889,542	$889,542	$889,542	$889,542	$889,542	$889,542	$8,895,420
OPEB Costs													
	Normal Retirees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Early Retirees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Year 1 Retirement Obligation		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Leave Payout		$1,310,400	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,310,400
TOTALS		$1,310,400	$3,647,718	$3,647,718	$3,647,718	$3,647,718	$3,647,718	$3,647,718	$3,647,718	$3,647,718	$3,647,718	$3,647,718	$37,787,580

Net Savings (Costs) - Retirements	($99,510)	$10,882,968	$10,882,968	$10,882,968	$10,950,200	($322,246)	($2,381,105)	($3,647,718)	($3,647,718)	($3,647,718)	($3,647,718)	$26,205,372

"Amortization shown starting in year 2 to reflect conservative accounting for known plan change. Many jurisdictions may wait until year 3."

This exhibit may only be used in conjuction with Mercer's April 2, 2010 letter.

)

OFFICE OF HUMAN RESOURCES

Isiah Leggett
County Executive

Joseph Adler
Director

MEMORANDUM

April 13, 2010

TO: Nancy Floreen, County Council President

FROM: G. Wesley Girling, Benefits Manager
Office of Human Resources

SUBJECT: Testimony for Public Hearing on Expedited Bill 9-10, Retirement Incentive Program

Good afternoon. For the record, I am Wes Girling, Benefits Manager with the Montgomery County Government Office of Human Resources. I am here today on behalf of County Executive Isiah Leggett to testify in support of Expedited Bill 9-10.

Expedited Bill 9-10 would amend the Employees' Retirement System (ERS) to provide a one-time Retirement Incentive Program (RIP) for members of ERS Groups A, E, and H, who are either eligible for normal retirement or eligible for early retirement and within two years of normal retirement eligibility.

The terms of the RIP were negotiated with MCGEO Local 1994 and are designed to coordinate with the Reduction in Force (RIF) proposed in the County Executive's FY 2011 Budget. The primary goal of the RIP is to limit the number of employees separated from the County workforce involuntarily.

Unlike previous incentive plans, this incentive will only be paid to individuals that retire from a position in an occupational class affected by the RIF. The number of retirements will be limited to the number of filled positions scheduled to be abolished and there will be a corresponding position abolishment for any vacancy created by the RIP. If a retirement occurs in a department that is not subject to the RIF, an employee from a department where a position is scheduled to be abolished will be placed in the position vacated by the retirement. Generally speaking eligibility will be seniority based. However, a proposed amendment to the legislation would give priority consideration to employees in an affected class who applied for the 2009 RIP that was never implemented.

The terms of the incentive plan include:

- A $35,000 payment to eligible full-time plan participants who retire June 1, 2010. Part-time plan participants would receive a pro-rated incentive based on their percent of full time employment.
- Penalties for employees who retire early will be waived.
- The incentive payments may be paid in either a lump sum or over time, at the election of the retiree. In addition, employees may elect to defer receipt of their incentive payment until they reach normal Social Security age by having the incentive payment transferred to the Guaranteed Retirement Investment Plan (GRIP). Funds in the GRIP accounts will accrue interest at the rate of 7.25%.
- Eligible employees will have the option to receive a smaller incentive ($30,000) in exchange for unreduced life insurance coverage for a period of 10 years.
- Eligible employees will have the option to receive a smaller incentive ($28,000) in exchange for an additional employer subsidy for individual medical coverage for a period of five years.

It is estimated that between 100 and 150 employees will elect to retire under this plan.

Staff in the Office of Human Resources will be conducting a series of seminars for employees eligible for the RIP to explain their options and answer questions they may have with respect to their retirement benefits.

We urge the Council to approve this legislation and we look forward to working with the Council on this legislation.

2008 COUNTY GOVERNMENT BUYOUT

In May 2008, as recommended by the Executive, the Council approved a buyout program for non-public safety Employees' Retirement System (ERS) members, who were at normal retirement or within two years of normal retirement. The incentive consisted of a $25,000 payment and a reduction in the early retirement penalty. Buyout recipients had to retire by June 30, 2008.

Of the 838 eligible employees, 150 (or 18%) accepted the buyout. Three-fourths of the employees who accepted the 2008 buyout were eligible for normal retirement. Of the 150 positions vacated by the buyout, the County refilled 96 positions (64%) and abolished 54 positions (36%).

From FY09 - FY19, OLO's fiscal analysis shows that the 2008 County Government buyout will:

- Save $20.2 million (of which $8.5 million was saved in FY09)
- Cost $33.0 million
- Result in a net cost of $12.8 million

Almost half of the total savings of $20.2 million occurs in FY09 due to position abolishments and turnover savings. However, because the buyout program obligates the County to cover $33 million in new costs over the next decade, the net result is a cost increase of **$12.8 million.**

Beginning in FY10, and continuing for the next ten years, the County must pay back the ERS Trust Fund the $3.75 million it cost for the $25,000 per employee incentive payments. The buyout also resulted in retirees drawing pensions and health coverage for longer periods, which also increased the County's future liability.

Net Savings and Cost Increases Resulting from the 2008 County Government Buyout
($ in millions)

Fiscal Year	(A) Savings	(B) Cost Increases	(A) – (B) Net Savings or (Cost Increases)
FY09	$9.9	$1.4	$8.5
FY10-19	$10.3	$31.6	($21.3)
Total FY09-FY19	$20.2	$33.0	($12.8)

2009 PROPOSED COUNTY GOVERNMENT BUYOUT

As recommended by the Executive, the 2009 County Government buyout is being offered to Employees' Retirement System members who are eligible for normal retirement or within two years of normal retirement. The proposed 2009 incentive is $40,000 plus elimination of the early retirement penalty. The terms of the proposed 2009 buyout were bargained with MCGEO.

As the Council considers the proposed 2009 County Government buyout, OLO recommends the Council ask the Executive to address the following questions:

1. What are the estimated annual costs and savings of the 2009 buyout from FY10-FY20?
2. What percent of buyout-vacated positions will the Executive abolish permanently?
3. Is there a scenario whereby eligibility for the 2009 buyout could be targeted toward job classes that are subject to reductions in force?
4. What are the Executive's plans for coordinating the proposed 2009 buyout with the discontinued service retirement program?

RECEIVED
MONTGOMERY COUNTY
COUNCIL

2010 APR 13 PM 12: 14

OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

April 12, 2010

TO: Nancy Floreen, President
Montgomery County Council

FROM: Isiah Leggett, County Executive

SUBJECT: Executive Amendment to Expedited Bill 9-10 to Create a Retirement Incentive Program

Expedited Bill 9-10, to establish a targeted retirement incentive program, was introduced at my request by the Council on March 23, 2010, and a public hearing is scheduled for April 13. This bill results from a negotiated side agreement with the Municipal & County Government Employees Organization/United Food and Commercial Workers Union Local 1994 (MCGEO) during recent collective bargaining. After this bill was submitted to Council, we entered into a subsequent agreement with MCGEO that gives priority in the 2010 retirement incentive program to participants who applied for the proposed 2009 retirement incentive program. In addition, this proposed amendment clarifies that an application for this program may be disapproved if a vacancy created by a member who participates cannot be filled by a member of an affected class. I am attaching for Council consideration an amendment to Expedited Bill 9-10 that incorporates the subsequent side agreement with MCGEO.

Attachment

IL:sw

Executive Amendment 1

Amend lines 139-149 as follows:

(g) *Approval.* The Chief Administrative Officer must approve a request to participate in the program from a member employed in the Executive Branch. The Council Staff Director must approve a request to participate from a member employed in the Legislative Branch. The Chief Administrative Officer and the Council Staff Director must not approve more applications from an affected class than the number of positions that are abolished in the affected class. The Chief Administrative Officer and the Council Staff Director may disapprove an application if a vacancy created by a member participating in the program cannot be filled by a member of an affected class. If more members apply to participate in the program than the number of positions abolished, the [[participant's]] participants must be approved in order of County seniority[[. Seniority must be]] calculated under the RIF personnel regulation in the following order:

(1) participants who applied for the proposed 2009 Retirement Incentive Program; and

(2) all other participants.

APPROVED AS TO FORM AND LEGALITY:
OFFICE OF THE COUNTY ATTORNEY
BY Amy A. Moskowitz
DATE 4/7/10

QUESTIONS AND RESPONSES ON PROPOSED FY11 FURLOUGH PLAN

A. Savings Assumptions and Calculations- General

What were the assumptions and methodology used to calculate the total furlough savings of $15 million? As part of your answer, please address the following questions/issues:

A-1. Confirm that personnel cost savings associated with the furlough for each department affected includes the costs of salaries/wages and social security, and excludes the costs of retirement and group insurance.

Response to A-1. Personnel cost savings associated with the furlough for each department affected includes the costs of salaries/wages, FICA, and Medicare, but not retirement and group insurance.

A-2. Confirm that employees' accrual of leave (annual, sick) will not be affected by the furlough days.

Response to A-2. Leave accrual will not be affected. Please see Section 30-2 (b)(3)(A) of the MCPR.

A-3. Explain how OMB calculated the savings for individual departments/office with and without employees who are exempt from the furlough.

Response to A-3. See below:

1. **Downloaded budget position system (BPS) data by department, index code, object code, and bargaining unit (generally corresponds to salary schedule and "99" job codes, which include personnel-related items such as overtime costs and lapse savings).**
2. **Excluded all data in the following categories: positions paid on the IAFF, Fire Management, Correction Officers, Correction Management, Sheriff Deputies, Sheriff, Police, Police Management, and minimum wage/seasonal salary schedules; Police and Fire Chief; and Assistant Chiefs in the Fire and Rescue Service; "99" job codes; grant, capital, and trust-funded positions; and retirement and health benefit funding (objects 160 and 180).**
3. **Divided funding in the remaining categories by 26.**

A-4. Does the furlough savings of $15 million include any projected cost savings from closing County facilities on the proposed five fixed furlough days (e.g., savings on utilities, contract security or maintenance costs etc.)?

Response to A-4. No. All furlough days will be "rolling" or "floating" days.

A-5. How are part-time employees treated when calculating the furlough savings? Are part-time employees required to take the full 80 hours or a pro-rated share?

Response to A-5. Part-time employees' furlough day savings are calculated on a pro-rated basis, as are savings for school-based employees working a 10-month schedule.

A-6. How will furloughs be administered for employees who are partially grant funded and for employees that are 100% grant funded?

Response to A-6. Employees that are partially or wholly grant funded are still being furloughed unless they are in another excluded category (see A-3.2).

A-7. Was the projected savings discounted for any potential increase in overtime compensation due to the furloughs? Will the furlough plan prohibit the use of overtime as a result of furlough days?

Response to A-7. Employees cannot be allowed to use furlough time to reach the overtime threshold (at which time overtime begins to accumulate), nor can departments incur overtime to backfill staff who are out on furlough.

A-8. The FOP contract requires 8 hours of compensatory time to each member for each 8 hour furlough day required. Will any employees (FOP members or not) be receiving additional compensatory time or annual leave due to the required 80 furlough hours? If so, how much and what are the estimated costs? Are all employees represented by the FOP exempt from these furloughs?

Response to A-8. N/A (see A-3).

A-9. What was the logic for classifying all of the furlough savings listed in the budget as having "no service impact"?

Response to A-9. This was an oversight. The impact should have been more accurately characterized as reducing service.

B. More Detailed Questions about Furlough Exemptions

B-1. The furlough information provided by the Executive Branch states that "uniformed public safety employees" will be exempt from the furlough. Please fill in the following table for each department with employees exempt from the furlough, i.e., Police, MCFRS, Corrections, other?

Response to B-1 below:

Department	Exempt Employees		Savings that would occur if Employees were Not Exempt from Furloughs	
	# of Positions *	# of Workyears	Per Day	Per 80 Hours
Police	1,165	1,184	-$373,070	-$3,730,710
Fire and Rescue Service	1,158	1,116	-$379,010	-$3,790,070
Correction and Rehabilitation	303	298	-$78,890	$788,910
Sheriff	151	144	-$42,450	-$424,470
Total	**2,777**	**2,742**	**873,420**	**-$8,734,160**
* Includes vacant positions.				

B-2. For each department listed in the table above, please explain in detail which employees are identified as exempt from the furlough (e.g., all uniformed positions, all uniformed positions on shift work, all uniformed positions assigned to certain divisions, essential civilian personnel, etc.) and the Executive's rationale for exempting those employees.

Response to B-2. Employees that are in the categories listed in A-3.2 above are exempt from the furlough requirement because the County Executive wanted to do what was possible to prevent any compromise of public safety. The avoidance of additional overtime charges to backfill for furloughed employees was also a factor.

B-3. How will furloughs be handled for employees that deal directly with public safety but outside of the traditional public safety agencies, for examples child protective services staff or adult protective services staff in DHHS?

Response to B-3. Each department director will be responsible for implementing the furlough in a way that is cost neutral and has minimal service impact, as noted in the Chief Administrative Officer's March 31, 2010 memo. Departments will identify any operational or service level issues that may result from the furlough and how those issues will be addressed.

B-4. How does the Executive Branch intend to handle situations where additional employees are designated (in response to a recent memo sent out by the OHR director) as unable to be furloughed on one or more of the five fixed days? Will these employees, for example, be asked to take an equivalent number of rolling furlough days?

Response to B-4. N/A. All furlough days will be "rolling" or "floating" days.

B-5. If a County fixed furlough day falls on a day when the courts are open, what accommodations will be made to ensure that appropriate County staff is available for court hearing or other court proceedings?

Response to B-5. N/A. All furlough days will be "rolling" or "floating" days.

C. Other

C-1. Did the Executive consider a furlough model similar to that implemented by the State of Maryland, which required higher paid employees to take more furlough days than lower paid employees?

Response to C-1. The Executive considered the approach to furloughs taken by the State, but given the aggressive savings target that needed to be achieved by furloughs, it was determined that allocating more than ten days of furloughs for certain higher paid employees would have further complicated the operational issues related to furlough implementation.

C-2. Will the current Personnel Regulations on furloughs (Section 30) be used to govern the procedures for conducting a furlough, or does the Executive plan on submitting amended Regulations to the Council for approval?

Response to C-2. Amended Regulations will be submitted to Council for approval.

C-3. Will an employee's RSP and GRIP contributions be affected by the furlough? Specifically, will individual employee's contributions be based on his/her salary with or without the furlough reduction?

Response to C-3. Contributions will be based on an employee's salary without the furlough reduction.

QUESTIONS ON PROPOSED FY11 REDUCTION-IN-FORCE (RIF) AND RETIREMENT INCENTIVE PROGRAM (RIP)

D. Reduction-in-Force

D-1. Please complete the table below listing the number of positions recommended for abolishment in the County Executive's Recommended FY11 Operating Budget.

Response to D-1. Please see Attachment 1.

D-2. What will be the sequencing of efforts to vacate positions to minimize involuntary layoffs? Will the County first offer Discontinued Services Retirements (DSRs) or the Retirement Incentive to employees in an affected occupational series?

Response to D-2. Discontinued Service Retirements will be offered within departments to eligible employees who occupy a class where an abolishment will occur. The Retirement Incentive Plan (RIP) will be offered to employees in occupational classes that are affected by the RIF. A RIP will only be available to an employee who occupies a class where a filled position will be abolished. Employees who are eligible for DSR or RIP must leave by June 1, 2010. After DSR and RIP options have been exhausted and staffing has pursued all alternative placement and transfer options, if there is still a need to RIF employees, probationary employees will be terminated. Thereafter, a RIF will occur, if necessary, and the least senior employee in the occupational class will be terminated.

D-3. In cases where DSRs and the Retirement Incentive Program do not vacate sufficient positions to avoid a reduction-in-force, please describe how the County will determine which affected employees will be laid off. Briefly describe how seniority (or other factors) will determine "bumping rights" among affected employees in the same class or occupational series. Please address how an affected employee in one department will be able to claim the position of an employee with less seniority in the same occupational series but in a different department.

Response to D-3. The reductions in force will be implemented according to the procedures spelled out in MCPR Section 30 and applicable provisions in the Local 1994, MCGEO collective bargaining agreement. After all retirement, alternative placement, and probationary employee actions are exhausted in the affected department, a RIF will occur for the least senior employee who occupies a class where a position will be abolished . If there is a probationary employee in the affected classification in another department, the RIF'd employee can displace the probationary employee provided that the merit status employee meets the minimum qualifications occupied by the probationary employee.

D-4. What is the estimated cost of severance payments and leave payouts for employees belonging to the RSP who are subject to the reduction-in-force? What will be the source of funds for these payments?

Response to D-4. Severance pay comes from the operating budget of the affected department. Cost estimates are not available at this time.

D-5. Does the Executive expect to allow the use of "knowledge contracts" to temporarily hire back certain departing employees under contract? If so, what is the estimated cost of these contracts and what is the proposed source of funds?

Response to D-5. Knowledge transfer contracts are not being contemplated at this time.

E. Retirement Incentive Program / Discontinued Service Retirement

E-1. Please complete the table listing the number of employees in RIF-affected series that would be eligible for a Retirement Incentive or a Discontinued Service Retirement.

Response to E-1. Please see Attachment 2.

E-2. Please provide the Executive's assumptions about assumed rates of participation in the Retirement Incentive Program, estimated savings, and estimated costs. Specifically:

a. How many employees does the Executive assume will participate in the RIP? How many of these are at normal retirement? How will the award of DSRs affect the number of employees eligible to participate in the RIP?

Response to E-2a. There are approximately 160 positions scheduled to be abolished that are encumbered by employees eligible for the RIP. Approximately 400 employees qualify, and it is hoped that most of the 160 positions will be vacated as a result of a retirement.

b. Will every position vacated by the Retirement Incentive Program (that is not recommended for abolishment) be filled by an employee affected by the reduction-in-force?

Response to E-2b. Yes. The goal of the RIP is to limit the number of involuntary separations from County Government by giving a laid off employee an opportunity to take the vacated position.

c. What are the Executive's assumptions about the annual personnel costs of Retirement Incentive Program participants? What are the personnel costs assumptions for the employees who will replace the RIP participants?

Response to E-2c. The plan actuary is completing a review of the cost to the plan for RIP participants. As recommended by OLO last year, the RIP will only be available to employees in a class where a position will be abolished, and it is expected that the net impact to the County will be savings.

d. What will be the source of funds for the cash payments?

Response to E-2d. RIP payments will come from the Employees Retirement System (ERS). A plan amendment has been submitted to the Council to authorize this payments.

e. What is the amortization period for new ERS obligations resulting from the Retirement Incentive Program? What is the annual actuarial cost of these new obligations?

Response to E-2e. RIP costs will be separately identified in the 2010 actuarial valuation and amortized over a 10 year period.

f. What is the amortization period for new OPEB obligations resulting from the Retirement Incentive Program? What is the annual actuarial cost of these new obligations?

Response to E-2f. OPEB obligations will be determined at the next valuation, at which point the plans actuary will recommend amortization options to the County.

E-3. For both the enhanced life insurance and health insurance options, please indicate:

a. The amortization period for new future year obligations resulting from the RIP.

b. The estimated annual actuarial cost of these new obligations.

c. The estimated present value cost of these obligations and the methodology use to calculate it.

Response to E-3. It is anticipated that only a handful of employees will elect an optional incentive of subsidized life or health insurance. The cost will be handled on a pay as you go basis from the self insurance fund and there is no actuarial analysis of the obligation. The life insurance vendor has agreed to keep the same premium structure in place (though multiplied by a different in-force amount). It is estimated that the additional premium is a less than the amount of incentive given up. The present value of the additional health premium is estimated to be less than the amount of incentive given up.

E-4. For the GRIP option, what are the Executive's assumptions about the future year County obligations to meet the guaranteed rate of return? What is the estimated present value cost to the County of this option? What would be the source of funds to pay the guaranteed 7.25% rate of return?

Response to E-4. The GRIP accounting will be the same as is in place for current GRIP participants. There is no County cost if the plan meets its actuarial rate of return assumption. If the plan exceeds the assumed rate of return the County cost will be lower, and if the plan fails to meet the assumed rate of return the County cost will be higher.

E-5. What is the estimated cost of unused annual leave payments for employees who participate in the Retirement Incentive Program? What is the source of funds for these payments?

Response to E-5. No cost estimates are available at this point because we do not know who will elect to retire under the RIP. Source of funds is the department operating budget.

E-6. What are the Executive's assumptions regarding the cost of a Discontinued Service Retirement? Please include estimated costs of annual leave payments and additional pension obligations.

Response to E-6. No additional assumptions have been made for the cost of a Discontinued Service Retirement (DSR). Historically, the costs of a DSR have been amortized with all other actuarial gains and losses over a 40 year period. We will be asking the actuary to provide separate cost data with respect to DSRs in the 2010 valuation and seek his counsel on amortization options.

F. Other

F-1. Did the Executive consider offering any incentives for RSP/GRIP employees to voluntarily resign or retire? If not, why?

Response to F-1. The Executive did consider offering retirement incentives to RSP/GRIP employees, but there was no source of funding to provide a meaningful incentive. RSP/GRIP participants who lose their job as a result of the RIF will be eligible for severance pay.

Attachment 1

Workforce Reductions by Department and Job Class

County Executive Recommendation

Department/Class Code	Job Class Title	FT	PT	Filled	Vacant
Board of Appeals					
009274	*PRINCIPAL ADMIN AIDE	-1	0	-1	0
Commission for Women					
002753	SUPERVISORY THERAPIST	-1	0	-1	0
009273	OFFICE SERVICES COORD	-1	0	-1	0
009274	*PRINCIPAL ADMIN AIDE	-1	0	-1	0
Community Use of Public Facilities					
009274	*PRINCIPAL ADMIN AIDE	-1	0	-1	0
Consumer Protection					
000112	MANAGER III	-1	0	-1	0
000643	*INVESTIGATOR III	-1	0	-1	0
000837	PROGRAM SPECIALIST I	-1	0	-1	0
Correction and Rehabilitation					
000111	MANAGER II	-1	0	0	-1
000112	MANAGER III	-3	0	-3	0
000424	MGT & BUDGET SPEC III	-1	0	-1	0
003233	CORR UNIT CMDR (CAPT)	-1	0	-1	0
003234	CORR SUPERVISOR SERGEANT	-1	0	-1	0
003237	CORR OFFCR III/CORPORAL	-11	0	-9	-2
003239	CORR OFFCR I (PVT)	-2	0	0	-2
003246	CORRECTIONAL SPEC V	-1	0	-1	0
003247	CORRECTIONAL SPEC IV	-1	0	-1	0
003248	*CORRECTIONAL SPEC II	-3	0	-1	-2
003258	CORRECTION RECORDS TECH	-1	0	0	-1
005211	WORK FORCE LEADER III	-1	0	-1	0
007314	PRINCIPAL ADMIN AIDE	-1	0	-1	0
009234	SR SUPPLY TECHNICIAN	-1	0	-1	0
009235	*SUPPLY TECHNICIAN III	-1	0	-1	0
009273	OFFICE SERVICES COORD	-1	0	-1	0
009274	*PRINCIPAL ADMIN AIDE	-3	0	-2	-1
County Attorney					
006106	*ASST COUNTY ATTORNEY III	-1	0	-1	0
County Council					
000716	LEGISLATIVE ANALYST II	0	-1	0	-1
000719	LEGISLATIVE SR AIDE I	-1	-1	0	-2
100135	PUBLIC ADMIN INTERN	0	-3	0	-3
County Executive					
000112	MANAGER III	-1	0	-1	0
000135	PUBLIC ADMIN INTERN	0	-1	-1	0
000837	PROGRAM SPECIALIST I	0	-1	0	-1
009268	SENIOR EXEC ADMIN AIDE	-1	0	0	-1
100837	PROGRAM SPECIALIST I	-1	0	-1	0
109273	OFFICE SERVICES COORD	-2	0	-2	0
Economic Development					
000552	INFO TECHNOLOGY SPEC III	-1	0	-1	0
004430	*SR BUSINESS DEVP SPEC	-3	0	-1	-2
007627	RESOURCE CONSERVATIONIST	-1	0	-1	0
009273	OFFICE SERVICES COORD	-2	0	-2	0
Environmental Protection					
000836	PROGRAM SPECIALIST II	0	-1	0	-1
004403	*PLANNING SPECIALIST III	-1	0	-1	0
Ethics Commission					

Department/Class Code	Job Class Title	FT	PT	Filled	Vacant
000837	PROGRAM SPECIALIST I	0	-1	-1	0
100837	PROGRAM SPECIALIST I	-1	0	-1	0
Finance					
009273	OFFICE SERVICES COORD	-4	0	0	-4
200151	ADMINISTRATIVE SPEC II	-3	0	0	-3
509273	OFFICE SVS COORDINATOR	-1	0	-1	0
Fire					
000132	PUBLIC SERVICES INTERN	-2	-1	0	-3
003165	FIRE/RES BATTALION CHIEF	-3	0	0	-3
003168	FIRE/RESCUE LIEUTENANT	-1	0	0	-1
003169	MASTER FIREFIGHTER/RSCR	-3	0	0	-3
003170	*FIREFIGHTER/RESCUER III	-14	0	0	-14
General Services					
000111	MANAGER II	-2	0	-2	0
005042	CARPENTER II	-2	0	-2	0
005043	*CARPENTER I	-5	0	-5	0
005307	BLDG SERVICES INSPECTOR	-7	0	-7	0
009268	SENIOR EXEC ADMIN AIDE	-1	0	-1	0
009274	*PRINCIPAL ADMIN AIDE	-1	0	0	-1
Health and Human Services					
000112	MANAGER III	-2	0	-1	-1
000150	ADMINISTRATIVE SPEC III	-1	0	-1	0
000192	COMMUNITY OUTREACH MGR	-1	0	0	-1
000634	CONS/SVC CORPS CREW TRNR	-1	0	0	-1
000635	CONS CORPS ASST CREW LDR	-1	0	0	-1
000832	PROGRAM MANAGER II	0	0	0	0
000834	PROGRAM MANAGER I	-1	0	-1	0
000836	PROGRAM SPECIALIST II	-1	0	0	-1
000837	PROGRAM SPECIALIST I	-1	0	0	-1
002009	HUMAN SERVICES SPEC	0	0	0	0
002012	*INCOME ASST PROG SPEC II	-1	0	0	-1
002305	PSYCH NURSE CLIN SPEC	0	-1	0	-1
002306	*COMM HEALTH NURSE II	-3	-1	-2	-2
002615	OCCUPATIONAL THERAPIST	-1	0	0	-1
002754	*THERAPIST II	-4	-2	0	-6
002760	BEHAV HEALTH ASSOC CNSLR	-2	0	0	-2
002805	SOCIAL WORKER IV	-1	0	0	-1
002806	SOCIAL WORKER III	-2	0	0	-2
009272	EXECUTIVE ADMIN AIDE	-1	0	-1	0
009273	OFFICE SERVICES COORD	-2	0	0	-2
009274	*PRINCIPAL ADMIN AIDE	-3	-1	-1	-3
132004	*MED DOC III - PHYSICIAN	-1	0	-1	0
Human Resources					
000121	*HUMAN RES SPECIALIST III	-2	0	-2	0
000152	ADMINISTRATIVE SPEC I	-1	0	0	-1
009274	*PRINCIPAL ADMIN AIDE	-1	0	0	-1
109007	DATA ENTRY OPERATOR	-1	0	-1	0
Human Rights					
000643	*INVESTIGATOR III	-1	0	0	-1
000834	PROGRAM MANAGER I	-2	0	-2	0
Liquor Control					
000211	*ACCOUNTANT/AUDITOR III	-2	0	-2	0
000215	FISCAL ASSISTANT	-2	-1	-3	0
005212	WORK FORCE LEADER II	-1	0	-1	0
008009	LIQUOR STORE MANAGER	-1	0	-1	0
008012	LIQUOR STORE ASST MGR	-2	0	0	-2

Department/Class Code	Job Class Title	FT	PT	Filled	Vacant
008017	LIQUOR STORE CLERK I	0	-3	0	-3
008109	WAREHOUSE ASST SUPVR	-1	0	-1	0
Management and Budget					
000422	*SR MGT & BUDGET SPEC	-1	0	0	-1
Mass Transit					
004466	BUS OPERATOR	-30	0	-5	-25
NDA - Climate Change Implementation					
000121	*HUMAN RES SPECIALIST III	0	-1	0	-1
Permitting Services					
000643	*INVESTIGATOR III	-1	0	-1	0
002201	*SR PERMIT SVCS SPEC	-19	0	-5	-14
002215	*PERMIT SVCS INSP III	-15	0	-7	-8
002234	*ENVIRON HEALTH SPEC III	-2	0	-1	-1
002260	*PERMIT TECHNICIAN III	-4	0	-2	-2
Police					
000209	SR FINANCIAL SPECIALIST	-1	0	-1	0
000834	PROGRAM MANAGER I	-1	0	-1	0
002412	LABORATORY ASSISTANT	0	-1	0	-1
002814	CLIENT ASSIST SPECIALIST	-1	0	-1	0
003067	POLICE SERGEANT	-1	0	0	-1
003074	MASTER POLICE OFFICER	-1	0	0	-1
003080	*POLICE OFFICER III	-23	0	0	-23
003501	POLICE SERVICES ASST	-1	0	0	-1
003503	ABAN VEH CODE ENFOR SPEC	-1	0	0	-1
009272	EXECUTIVE ADMIN AIDE	-2	0	0	-2
009273	OFFICE SERVICES COORD	-4	0	0	-4
009274	*PRINCIPAL ADMIN AIDE	-2	0	0	-2
Printing & Mail					
005175	*PRINTING TECHNICIAN III	-1	0	-1	0
005190	MAIL CLERK	0	-1	-1	0
Public Information					
000836	PROGRAM SPECIALIST II	-1	0	0	-1
Public Libraries					
000112	MANAGER III	-3	0	-3	0
000557	INFO TECHNOLOGY TECH I	-3	0	-2	-1
001137	SR LIBRARIAN	-3	0	-2	-1
001151	LIBRARIAN II	-10	-2	-12	0
001152	LIBRARIAN I	-9	-1	-6	-4
001160	LIBRARY TECHNICIAN	-1	0	0	-1
001163	LIBRARY ASST SUPERVISOR	-2	0	-1	-1
001165	LIBRARY ASSISTANT II	-11	0	-10	-1
001166	LIBRARY ASSISTANT I	-5	-11	-13	-3
001175	LIBRARY DESK ASSISTANT	0	-2	0	-2
001177	LIBRARY AIDE	0	-5	-4	-1
001190	*LIBRARY ASSOCIATE II	-5	0	-4	-1
009237	SUPPLY TECHNICIAN I	-1	0	-1	0
009274	*PRINCIPAL ADMIN AIDE	-1	-1	-1	-1
009275	ADMINISTRATIVE AIDE	0	-1	0	-1
009277	OFFICE CLERK	0	-1	-1	0
Recreation					
000112	MANAGER III	-4	0	-3	-1
001015	RECREATION SPECIALIST	-10	-1	-6	-5
001018	RECREATION COORDINATOR	-11	0	-9	-2
009234	SR SUPPLY TECHNICIAN	-1	0	-1	0
009273	OFFICE SERVICES COORD	-3	0	-2	-1
009274	*PRINCIPAL ADMIN AIDE	-7	0	-7	0

Department/Class Code	Job Class Title	FT	PT	Filled	Vacant
Regional Services Centers					
000112	MANAGER III	-4	0	-3	-1
000135	PUBLIC ADMIN INTERN	0	-1	0	-1
000151	*ADMINISTRATIVE SPEC II	-1	0	-1	0
000836	PROGRAM SPECIALIST II	-1	-3	-2	-2
009274	*PRINCIPAL ADMIN AIDE	-4	0	-4	0
Solid Waste Disposal					
000212	ACCOUNTANT/AUDITOR I	-1	0	0	-1
Technology Services					
000112	MANAGER III	-1	0	-1	0
000150	ADMINISTRATIVE SPEC III	-1	0	0	-1
000549	INFO TECHNOLOGY PROJ MGR	-1	0	0	-1
000551	*SR INFO TECHNOLOGY SPEC	-10	0	-5	-5
000552	INFO TECHNOLOGY SPEC III	-2	0	-2	0
000554	INFO TECHNOLOGY SPEC I	-2	0	-1	-1
003422	*COMMS EQUIP TECH II	-2	0	-1	-1
003426	TELECOMM TECHNICIAN	-1	0	-1	0
004021	SENIOR ENGINEER	-3	0	-3	0
009273	OFFICE SERVICES COORD	-3	0	-3	0
Transportation					
000151	*ADMINISTRATIVE SPEC II	-1	0	-1	0
003508	TRNS EMER RES PAT TECH II	-2	0	-2	0
004050	HIGHWAY INSPECTOR II	-1	0	-1	0
004404	PLANNING SPECIALIST II	-1	0	0	-1
005206	ARBORIST	-1	0	-1	0
Urban District - Silver Spring					
005231	PUBLIC SVS WORKER II	-1	0	0	-1
Urban District - Wheaton					
000836	PROGRAM SPECIALIST II	-1	0	0	-1
MCG Total Position Reductions		**-401**	**-51**	**-232**	**-220**

ATTACHMENT 2 JOB CLASS	UNION	JOB NAME	# OF POSITIONS	RED HRS	RIP ELIG (NORMAL)	RIP ELIG (EARLY)
000111		Manager II	1		14	8
000112		Manager III (1 effective 1/1/11/)	14	1	50	18
000121		Human Resource Specialist III, II, I, PAI	2		3	0
000151		Administrative Specialist II, I, PAI	2		10	1
~~000152~~	~~200152~~	~~Administrative Specialist I (reduce hours)~~		1		
000209		Senior Financial Specialist	2		0	1
000211		Accountant/Auditor III, II, I, PAI	2		3	3
000215	100215	Fiscal Assistant (FT)	2		2	3
000215	100215	Fiscal Assistant (PT)	1		0	0
000424	200424	Management & Budget Specialist III, II, I, PAI	1		6	1
000551		Senior IT Specialist, IT Specialist III, II, I, PAI	5		9	5
000552	200552	IT Specialist III	2		1	2
000554	200554	IT Specialist I	1		1	1
000557	200557	IT Technician III, II, I	2		4	1
~~000634~~		~~Conservation Corp Crew Trainer~~		2		
000643		Investigator III, II, I, PAI	2		7	1
000832	200832	Program Manager II (1 reduce hours)	1	1	14	6
000834	200834	Program Manager I (FT)	2		8	5
~~000834~~	~~200834~~	~~Program Manager I (PT) ???~~				
000836	100836	Program Specialist II (FT) (1 reduce hours) , PAI	3	1	5	5
000836	100836	Program Specialist II (PT), PAI	1		0	0
000837	100837	Program Specialist I (FT) , PAI	2		3	2
001015	101015	Recreation Specialist (FT), PAI	3		7	3
001015	101015	Recreation Specialist (PT), PAI	1		0	0
001018		Recreation Coordinator, PAI	9		0	0
001137		Senior Librarian	2		3	1
001151		Librarian II (FT)	10		14	4
001151		Librarian II (PT)	2		3	0
001152		Librarian I (FT)	5		3	1
~~001163~~		~~Library Assistant Supervisor (effective 1/1/11)~~		1		

001165		Library Assistant II (FT)	10		2	1
001166		Library Assistant I (FT)	4		5	2
001166		Library Assistant I (PT)	8		6	3
001177		Library Aide (PT)	4		0	0
001191		Library Associate II, I	1		7	0
002201		Senior Permit Svcs Specialist, II, I, PAI	3		8	3
002215		Permitting & Code Enforcement Insp III, II, I	7		3	4
002236	002235	Environmental Health Specialist II, II, I	1		4	0
002260		Permitting Technician III, II, I	4		2	3
~~002760~~		~~Behavioral Health Associate Counselor~~		4		
003233		Correctional Unit Cmdr (capt)	1		3	1
003234		Correctional Supervisor Sergeant	1		1	4
003237	103237	Correctional Officer III/Corporal, II, I	9		6	0
003246		Correctional Specialist V	1		1	0
003247		Correctional Specialist IV	1		3	0
003426		Telecomm Technician	1		0	0
003508		Trans Emer Res Pat Tech II, I	2		0	0
004021		Senior Engineer	3		2	0
004051	004050	Highway Inspector II	1		0	1
004430		Senior Business Development Specialist III, II, I, PAI	2		0	0
005042		Carpenter II	2		0	0
005043		Carpenter I, Apprentice	5		0	0
005175		Printing Technician III, II, I	1		5	2
005190		Mail Clerk (PT)	1		0	0
005206		Arborist	1		0	0
005211	205211	Work Force Leader III	1		1	0
~~005212~~		~~Work Force Leader II~~				
005307		Building Services Inspector	7		2	1
~~006106~~		~~Assistant County Attorney III, II, I, PAI~~				
~~006108~~		~~Assistant County Attorney I~~				
008009		Liquor Store Manager	1		5	2
008109		Warehouse Assistant Supervisor	2		3	0
009234	209234	Senior Supply Technician	2		2	1

009235		Supply Technician III, II, I	1		2	2
009268		Senior Executive Administrative Aide	2		2	4
009272		Executive Administrative Aide	1		4	0
009273	109273	Office Services Coordinator (FT) (1 reduce hours)	9	1	21	10
~~009273~~	~~109273~~	~~Office Services Coordinator (PT)~~		1		
009274	109274	Principal Administrative Aide (FT) (1 reduce hours)	16	1	13	4
009277	109277	Office Clerk (PT)	1		0	0
132004		Med Doc III-Physician	1		1	0
		Imaging Operator I	1		0	0
			199	**14**	**284**	**120**

ADDENDUM
AGENDA ITEM 4
April 27, 2010
Action

MEMORANDUM

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney

SUBJECT: **Action:** Expedited Bill 9-10, Personnel – Retirement Incentive Program

Council staff received the attached memorandum from Office of Human Resources Director, Joseph Adler, after the publication of the packet. Mr. Adler provided the position of the Executive Branch on the amendments to Bill 9-10 made by the MFP Committee on April 19.

This packet contains:	Circle #
April 23, 2010 Memorandum from Joseph Adler	1
CAO Knowledge Transfer Memorandum dated May 2009	4

OFFICE OF HUMAN RESOURCES

Isiah Leggett
County Executive

Joseph Adler
Director

MEMORANDUM

April 23, 2010

TO: Duchy Trachtenberg, Chair
MFP Committee

FROM: Joseph Adler, Director
Office of Human Resources

SUBJECT: Expedited Bill 9-10, RIP 2010

During its discussion on Expedited Bill 9-10, Retirement Incentive Program 2010, the Management and Fiscal Policy (MFP) Committee considered several Council Staff recommendations to amend the bill presented by the County Executive. In addition, MFP committee members asked for an outline of how the County determined which positions and job classes would be targeted for abolishment.

1) Decisions about which positions will be abolished were made on a department by department basis. Each department was asked to recommend ways to significantly reduce its budget and was given the latitude to consider alternatives that included reorganizing, process reengineering and other ways to adapt to conducting business with fewer resources. Departments were encouraged to streamline operations and asked to identify opportunities to lower their operating expenses. The resulting budget reflects the work of department heads.

2) Counsel staff recommended that the following language be added after line 149 of the bill:
"(h) Repayment. A participant must repay the lump sum benefit received to the Employee's Retirement Trust Fund before returning to County service as an employee or under a contract"

We appreciate that Committee members are concerned that employees could retire, receive the incentive payment, and then return to work. While requiring repayment of the incentive will serve as a deterrent to anyone returning to work, there may be legitimate business reasons why the County might need to re-employ a retiree to facilitate the transition of duties and responsibilities. With that in mind, the County Executive and MCGEO Local 1994 included language in their memorandum of understanding (attached) to provide that bargaining unit members who retire with the incentive shall be eligible to return to work:

"... in a part-time, temporary status; working a maximum of twenty (20) hours a week for no more than one thousand forty (1,040) hours **based on management's discretion** and consistent with the operational needs of the County Government."

The language proposed by Council Staff would preclude the rehiring of a retiree under any circumstance and would remove management's ability to rehire to meet operational needs of the County Government. As such, the County Executive does not support the inclusion of this restrictive language.

Keep in mind that there is no intention to return any employee who retires under the RIP to work unless there is a compelling business need to do so. Even then, it will be on a temporary or contractual basis, subject to the Knowledge Transfer procedures put in place in 2008. A copy of the 2008 Knowledge Transfer procedures is attached for your information.

The County Executive fully intends that the decision to abolish positions in the FY 2011 budget will be permanent and that departments will manage their workload with fewer resources.

3) Council staff recommended amending the bill to include clarifying language about the alternative incentive options (life and health insurance).

While we do not believe it is necessary to include this language in the retirement plan, we do not object to the amendment as proposed.

4) The MFP Committee requested data regarding enrollment in the various County retirement plans.

We have attached a summary of enrollment by plan and bargaining unit as of April 1, 2010 for your information. Note that outside agency employees that participate in the County plans are not included in the data.

Staff will be present at next week's County Council meeting to respond to any questions Council members may have.

County Employees Retirement Enrollment

By Plan as of April 1, 2010

ERS Enrollment		
	FOP	1,102
	IAFF	1,113
	MCGEO	1,763
	Unrepresented	773
	Total	**4,751**

GRIP Enrollment		
	MCGEO	672
	Unrepresented	249
	Total	**921**

RSP Enrollment		
	MCGEO	2,516
	Unrepresented	622
	Total	**3,138**

State Plan Enrollment		
	MCGEO	95
	Unrepresented	50
	Total	**145**

Not Enrolled in a Retirement Plan		
	MCGEO	62
	Unrepresented	32
	Total	**94**

ERS - Employees Retirement System
GRIP - Guaranteed Retirement Income Plan
RSP - Retirement Savings Plan

OFFICES OF THE COUNTY EXECUTIVE

Isiah Leggett
County Executive

Timothy L. Firestine
Chief Administrative Officer

MEMORANDUM

May 28, 2009

TO: Executive Branch Department and Office Directors

FROM: Timothy L. Firestine, Chief Administrative Officer

SUBJECT: Knowledge Transfer Contracts

The attached document intends to explain the process for requesting a knowledge transfer contract for employees retiring from June 1 through June 30, 2009. Previously, these contracts were related to the implementation of the Retirement Incentive Program.

Ideally, departments should have a comprehensive succession plan for all key positions; however, this year, some employees in key positions may retire without sufficient notice. In order to maintain the systematic delivery of services, the County, once again, will retain this contract vehicle for use to plan knowledge transfers from these selected employees. All terms, conditions and requirements under the new knowledge transfer contracts will remain the same as the 2008 RIP knowledge transfer contracts, except it is not tied to RIP.

If you have any questions concerning the attached, please contact Fariba Kassiri, Assistant Chief Administrative Officer, at 240-777-2512.

TF:st

Attachment

101 Monroe Street • Rockville, Maryland 20850
240-777-2500 • 240-777-2544 TTY • 240-777-2518 FAX
www.montgomerycountymd.gov

Corrected Copy

Process for Knowledge Transfer Contract Requests

Departments must submit a request to Fariba Kassiri, Assistant Chief Administrative Officer, by July 6, 2009 requesting creation of a knowledge transfer contract. The request should indicate the following:

1. Justification:
   a. What knowledge is intended to be shared?
      Identify areas where significant loss of knowledge and skills will occur.
   b. With whom will the knowledge be shared?
   c. How will the knowledge be shared?
      Identify deliverable, process and templates that will be used to document the knowledge inventories and transfer.
   d. Why is it essential that the knowledge be shared?
   e. What will be the consequence of not bringing the employee back temporarily?
   f. How long will the retiree be retained?

2. Budget Impacts/Source of funds:
   a. Note that all knowledge transfer contract costs must be absorbed by the requesting department. No additional funds will be budgeted for this purpose.
   b. Are the funds in FY09 or FY10?
   c. If FY09, is this over and above your required savings plan target?
   d. If the funds are FY10, are they from additional lapse, deferral of a contract action or other. Please specify.

3. Contract Requirements:
   a. Contracts must not exceed 720 hours within a 12-month period.
   b. The maximum hourly rate for each Knowledge Transfer Contract shall be the retiring employee's current hourly rate as indicated on the employee's pay advice.
   c. A decision will be provided by mid to late July on all applications.
   d. Provide copy of your request to Pam Jones, Chief of the Division of Procurement, at the same time it is transmitted to Fariba Kassiri, no later than July 6, 2009, so that there is no delay in implementing the appropriate procurement actions.

MEMORANDUM

May 19, 2008

TO: Executive Branch Department Directors

FROM: Timothy L. Firestine, Chief Administrative Officer

SUBJECT: FY09 Retirement Incentive Program Process Issues

The attached document is intended to explain the process and identify the critical dates for implementing the Retirement Incentive Program (RIP). While the goal of this program has always been to produce efficiencies and savings by reducing the size of the County Government, we will manage the implementation of position reduction and retention actions in a manner that minimizes the disruption to program operations and services and preserves institutional memory of programs within your departments.

However, with the Council's recently enacted goal of achieving $8 million in cost savings, productivity improvements and efficiencies in the County Government in FY09, it is critical that we appropriately maximize the savings from the RIP.

If you have any questions concerning the attached, please contact Fariba Kassiri, Assistant Chief Administrative Officer, at 240-777-2512.

TF:st

Attachment

Backfilling and Abolishing Positions from the Early Retirement Incentive Program

Process:

1. The Office of Human Resources will provide the departments by May 30, 2008 with a spreadsheet of all employees who separated as part of the Retirement Incentive Program (RIP) including name, title, position, and salary.
2. Departments will use this list to indicate which positions will be retained and which will be abolished.
3. After completion, the list must be provided to Fariba Kassiri by June 15, 2008.
4. The number of positions that will be retained cannot exceed 50 percent of the total number of employees permitted to retire under the RIP.
5. The remaining positions will be abolished.
6. If a Director wants to substitute a vacant position unrelated to the RIP that should be included in the spreadsheet with the appropriate information, the substitute position must be funded in the FY09 budget and provide savings comparable to a position being vacated as part of the RIP.
7. Retirements will be confirmed by OHR after the first week of July 2008.

Request for Knowledge Transfer Contract

Process:

1. Departments must submit a request to Fariba Kassiri by June 15, 2008 requesting creation of a knowledge transfer contract.
2. The request should indicate the following:
    a. What knowledge is intended to be shared?
        Identify areas where significant loss of knowledge and skills will occur.
    b. With whom will the knowledge be shared?
    c. How will the knowledge be shared?
        i. The request must be written and documented as well as shared orally.

ii. Knowledge inventories should be developed.

    d. Why is it essential that the knowledge be shared? What will be the consequence of not bringing the employee back temporarily?
    e. What is the source of funds for the contractual services?
    f. How long will the retiree be retained?
3. Contact the Director of Procurement, David Dise, concerning your request at the same time it is transmitted to Ms. Kassiri on June 15, so that there is no delay in implementing the appropriate procurement actions.
4. Contracts must not exceed 720 hours within a 12-month period.
5. The contractual rate must not exceed the retirees' salary upon separation when combined with their retirement annuity. The OHR Benefits Team will provide information on the retirement annuity.
6. Additional information will be posted on the OHR Intranet site.
7. A decision will be provided by mid-to-late July on all applications.