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**City of Peoria**

**Retirement Incentive Program**

**What is the City of Peoria Retirement Incentive Program?**

The Retirement Incentive Program is a “voluntary” process that offers eligible employees an incentive, to retire no later than June 30, 2009 with Arizona State Retirement System (ASRS) as an integral part of an overall budget reduction. The application must be filed on or before April 17, 2009, with no applications after that date being accepted. No penalty is imposed on any employee that elects not to participate in the program.

**Eligibility Requirements:**

Eligibility to participate in the Peoria Retirement Incentive Program is as follows:

* You must be currently employed with the City of Peoria in a “benefit eligible position”: and.
* You must be eligible for “Normal Retirement” through the Arizona State Retirement System (ASRS) or have the ability to achieve eligibility prior to June 30, 2009.

**ASRS Normal Retirement Eligibility is:**

* You must be age 62 with 10 or more years of credited service prior to June 30, 2009; or
* You must be age 65 regardless of years of credited service prior to June 30, 2009; or
* You must have any combination of years of credited service and age totaling 80 points prior to June 30, 2009; or
* You must have the ability to purchase credited service by June 29, 2009 to meet eligibility for “Normal Retirement” through ASRS.

**What are the benefits to taking the Retirement Incentive Program?**

For those employees who satisfy eligibility requirement listed above they will receive the following benefits:

1. One week of base pay per year of verifiable City of Peoria service up to a maximum of 10 weeks of pay into your Section 457 Deferred Compensation Plan with ICMA\*.
2. Cash out of vacation leave balance as of elected retirement date at 100%.
3. Cash out of 75% of sick leave balance as of elected retirement date into a Retiree Health Savings Account (RHS) through ICMA.
4. Health Insurance Premium Benefit: calculated based on a formula that includes the HMO Cobra rate as of the elected retirement date, the amount of ASRS subsidy you are entitled to receive, the amount of time until you become eligible to participate in the Medicare program operated by the United States Department of Health and Human Services, and the amount of verifiable city service as of the date of retirement. The amount determined by the formula will cap at $50,000.00.

**Pro-rated Schedule for Verifiable City Service is as follows:**

* *1 – 5 yrs =* ***25%***
* *6 – 10 yrs =* ***50%***
* *11 – 15 yrs =* ***75%***
* *16 + yrs =* ***100%***

For eligible employees who have a current dependent spouse covered under the City’s Blue Cross/Blue Shield of Arizona medical plan for plan year 2009, will receive a supplemental payment. This payment will be calculated based on the same formula above for the dependent spouse. Former spouses of employees, even if covered pursuant to a domestic relations order of a court of competent jurisdiction are not eligible for this supplemental payment. The contribution for this supplemental payment is based on a formula that stops on the first day of the month at which the employee (retiree) becomes eligible to participate in the Medicare program operated by the United States Department of Health and Human Services or the first day of the month which the current dependent spouse becomes eligible to participate in the Medicare program operated by the United States Department of Health and Human Services, whichever comes first.

 \_\_\_\_\_\_\_\_(applicant initials)

 Employees who are presently eligible for Medicare coverage will receive a lump sum payment in an amount

 equivalent to the current employee only ***Medicare Complete Plan*** premium rate through ASRS minus the ASRS

 subsidy as of the elected retirement date for a period of 12 months.

 *No additional supplemental premium for a current dependent spouse will be paid.*

1. A one year complementary membership to the City of Peoria’s Rio Vista Recreation Center for the Employee and Current Spouse effective July 1, 2009.
2. Retirement Career Planning Assistance Program provided through the Human Resources Department.
3. Two complimentary sessions with a Certified Financial Planner from ICMA to assist Employee with development of a Financial Retirement Plan (valued at $250.00 for ICMA Platinum Members). **Contact Gary Lusk at 1-866-630-3044 to schedule an appointment for Friday, March 20, 2009.**
4. Up to 8 hours (non-exempt) or one day (exempt) of paid leave to meet with ASRS and/or ICMA to finalize necessary retirement activities.

**How will the Retirement Incentive Benefit be paid?**

* 1. The one week of base pay per year of service up to a maximum of 10 weeks will be deposited as a lump sum payment into the City’s Section 457 Deferred Compensation Plan (ICMA) for the benefit of the employee in accordance with existing plan requirements. \*Employees who have exceeded their contribution limits will receive this benefit in the form of a lump sum cash payment subject to both State and Federal Income Tax. Monies deposited in the deferred compensation plan account may be utilized for the purpose of purchasing service credits in order to meet eligibility requirements and/or to “buy up” service multiplier if eligible.
	2. The Health Insurance Premium Benefit will be deposited as a lump sum into a Retiree Health Savings Account (RHS) (ICMA) and may be used tax free for any eligible qualified medical expense, to include payment of insurance premiums or out of pocket health care expenses in accordance with IRS regulations.
	3. The 75% cash out of sick leave balance will also be deposited as a lump sum into a Retiree Health Savings Account (RHS) (ICMA) and may be used tax free for any eligible qualified medical expense to include payment of insurance premiums and/or out of pocket health care expenses in accordance with IRS regulations.
	4. The City of Peoria does not warrant or guarantee the tax consequences of participation in this program. Employee should consult with a tax advisor of their choice as to any tax consequences.
	5. The City of Peoria does not warrant or determine that any of the benefits provided under this program are community property subject to equitable division. Employee’s should consult with a legal advisor as to any community property issues.

**Waiver and Release of Claims:**

Employee agrees to release the City of Peoria, Arizona, its elected officials, employees, officers and agents from all claims or demands Employee may have or may have had arising out of Employee’s employment with the City, including but not limited to participation in this retirement incentive program. This release includes but not limited to:

1. Release of any claims, cause of action or damages arising under the Age Discrimination in Employment Act as amended.
2. Release of any claims, cause of action or damages arising under the Arizona Civil Rights Act. Title VII, Civil Rights Act of 1964 as amended, Family and Medical Leave Act, Older Workers’ Benefit Protection Act and any other basis.
3. After this waiver is executed, this release does not apply to any claims that arise after that date.

\_\_\_\_\_\_\_(applicant initials)

1. The consideration for this waiver and release is employee’s participation in and receipt of benefits under this program.
2. Employees may contact the Human Resources Department for the following information:
3. A Definition of the group of individuals covered by this Retirement Incentive Program.
4. The job titles and ages of all employees eligible for the program and the ages of all employees in the same job classification or organizational unit who are not eligible for the program.
5. The eligibility requirements for this retirement incentive program are set forth above.
6. PLEASE NOTE THAT EXECUTION OF THIS APPLICATION CONTAINING THIS WAIVER AND RELEASE OF CLAIMS MAY HAVE LEGAL CONSEQUENCES. YOU ARE ADVISED TO CONSULT WITH A LEGAL ADVISOR OF YOUR CHOICE.

**Period for Review:**

Employee has Forty-Five (**45) days** to review and consider entering into this “Retirement Incentive Program”. Election to participate in the “Retirement Incentive Program” is entirely voluntary and eligible employees are under no obligation to elect participation.

**Right to Revoke Agreement:**

Employee may revoke this Agreement **within seven (7) business days** of Employee making the election. Revocation must be made in writing and received by the Director of Human Resources no later than close of business of the seventh (7th) business day after Employee makes the election.

**Termination of Employment:**

By electing the “Retirement Incentive Program”, Employee agrees to the following conditions:

* Employee will be ineligible to apply for employment with or to return to work as an employee or a contract worker, with the City of Peoria.
* Employee must resign his/her position with the City of Peoria between May 1, 2009 and June 29, 2009. In addition, Employee must retire with ASRS no later than June 30, 2009 and begin receiving retirement benefits under ASRS no later than July 1, 2009.

**Application Process:**

Employees who meet the eligibility requirements stated above and elected to participate in the Retirement Incentive Program are required to complete the “Retirement Incentive Program” election application and accept the terms of the program. The application period will begin at 12:00 a.m. March 4, 2009 and end at 5:00 p.m. April 17, 2009 (45 days).

Eligible employees should review **all** program documents provided in order to make an informed election. **Eligible employees are required to**:

* Attend one of the City of Peoria Retirement Incentive Program information sessions (see attached schedule) (spouses are welcome).
* Meet with an Arizona State Retirement System representative to gather information about benefit programs, program options, required retirement paperwork and obtain a retirement benefit estimate. ***An “ASRS Application for Retirement Benefit” must be completed and received by ASRS before any retirement benefit can be processed.***
* Attend a Retirement Planning Sessions offered by ICMA.

Please feel free to contact the Human Resources Benefits Department at (623-773-7554) if you have any further questions concerning the City of Peoria Retirement Incentive Program. Other important phone numbers are:

Arizona State Retirement System: 602-240-2000

Gary Lusk, ICMA Financial Planner: 1-866-630-3044

Ross Emmer, ICMA Retirement Plans Specialist: 480-584-5206

\_\_\_\_\_\_(applicant initials)

Date Received in Human Resources: \_\_\_\_\_\_\_\_\_\_\_\_\_

City of Peoria Retirement Incentive Program

Application for Participation

**Application Deadline: 5:00 p.m. April 17, 2009**

Eligibility Criteria:

Eligibility to participate in the Peoria Retirement Incentive Program is as follows:

* You must be currently employed with the City of Peoria in a “benefit eligible position”; and
* You must be eligible for “Normal Retirement” through the Arizona State Retirement System (ASRS) or have the ability to achieve eligibility prior to June 30, 2009; or
* You must be age 62 with 10 or more years of credited service prior to June 30, 2009; or
* You must be age 65 regardless of years of credited service prior to June 30, 2009; or
* You must have any combination of years of credited service and age totaling 80 points prior to June 30, 2009; or
* You must have the ability to purchase credited service by June 29, 2009 to meet eligibility for “Normal Retirement” through ASRS by June 30, 2009.

**Section 1 – To Be Completed by Employee:**

**Please Print**

Employee Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 First Middle Last

Employee Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Employee SSN: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date of Hire: \_\_\_\_\_\_\_\_\_\_\_\_\_

Date of Birth: \_\_\_\_\_\_\_\_ Job Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Department/Division: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Supervisor: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Total Years of City of Peoria Service: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Total Years of Credited Service in ASRS: *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Attach documentation from ASRS indicating credited service)*

Date of Retirement with the City of Peoria: \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date of Retirement with ASRS: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**These dates cannot be the same date. Example: Retire from the City June 29, 2009 and Retire from ASRS on June 30, 2009.**

I understand and elect my benefit incentive payments in the following manner and have attached the completed enrollment forms to this application if needed:

Base pay per year of City Service (max 10 weeks): \_\_\_\_\_Mandatory 457 Plan \_\_\_\_I have exceeded my 457 contribution limits

Vacation 100%: \_\_\_\_\_Cash Out or \_\_\_\_\_Deposit into ICMA 457 Plan

Sick Leave 75%: \_\_X\_\_Mandatory RHS Only

\_\_\_\_\_Keep current direct deposit for final paycheck.

I understand that the City of Peoria Retirement Incentive Program is voluntary and I verify that I am making this request voluntarily and on my own. I further understand that this retirement incentive program will be administered in accordance with policies and procedures established for this program and that I have received and understand terms of the program. I understand that I may revoke this Agreement within seven (7) business days of signing it. *Revocation must be made in writing and received by the Director of Human Resources no later than close of business of the seventh (7th) business day after Employee signs the agreement.*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of Employee Date

**Application must be submitted to Human Resources no later than 5:00 p.m. April 17, 2009.**

Acceptance into this program is subject to verification by Human Resources and Arizona State Retirement System.

**Section 2 – To Be Completed Human Resources and Payroll:**

**Date of Approval: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date Employee Notified: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

*Type of Retirement: \_\_\_ Age 65 \_\_\_\_ Age 62/10 years \_\_\_\_ 80 Points \_\_\_Purchasing Credited Service*

Years of City Service: \_\_\_\_\_\_\_\_\_\_ Birthdate: \_\_\_\_\_\_\_\_\_\_\_\_\_ Age 65 as of: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Current Medical Plan: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Does Employee Currently Cover Spouse on Medical: \_\_\_Yes \_\_\_\_No

Name of Spouse \_\_\_\_\_\_\_\_\_\_Date of Birth: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Age 65 as of: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Sick Leave Balance as of Retirement Date: \_\_\_\_\_\_\_\_\_\_

Vacation Leave Balance as of Retirement Date: \_\_\_\_\_\_\_\_\_\_\_\_

Current Base Salary as of Retirement Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Current Base Weekly Salary as of Retirement Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Verification of Retirement Payout:**

**Years of City Service:\_\_\_\_\_\_\_ X Weekly Salary: $\_\_\_\_\_\_\_ =$\_\_\_\_\_\_\_\_\_\_\_\_\_ INTO: \_\_\_457 \_\_\_\_Other**

**Vacation Payout: $\_\_\_\_\_\_\_\_\_\_\_\_ INTO: \_\_\_\_\_457 \_\_\_\_\_Cash Payout**

**Sick Leave Payout: $\_\_\_\_\_\_\_\_\_\_\_\_ INTO: \_\_\_\_RHS Plan Plan Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Health Insurance Payout for Employee: $\_\_\_\_\_\_\_\_\_\_\_\_ INTO: RHS Plan Plan Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Additional Health Insurance Payout for Spouse (if applicable) $\_\_\_\_\_\_\_\_\_\_\_Into: RHS Plan No. \_\_\_\_\_\_**

**Notified Community Service of Rio Vista Membership: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Verified by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Authorized by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Comments:**

**RETIREMENT INCENTIVE PROGRAM**

**INFORMATION SESSIONS**

The City of Peoria Human Resources Department along with Arizona State Retirement System will be providing the following information sessions about the Retirement Incentive Program on the following dates. *In addition ICMA will be providing a seminar on “Managing Income at Retirement” and will be available for one-on-one meetings by appointment only.*

**Information Sessions:**

|  |  |  |
| --- | --- | --- |
| **Date** | **Time** | **Place** |
| March 4, 2009Wednesday | 9:00am – 11:00am3:00pm – 5:00pm | DCSB - Point of View Room*9875 N. 85th Avenue* |
| March 6, 2009Friday | 9:00am – 11:00am | PSAB – Cinnabar Rooms*8351 W. Cinnabar* |
| March 9, 2009Monday | 6:00am – 9:00am3:00pm – 5:00pm | MOC – Roadrunner East and West*8850 N. 79th Avenue* |
| March 10, 2009Tuesday | 3:00pm – 5:00pm | PSAB – Cinnabar Rooms*8351 W. Cinnabar* |
| March 12, 2009Thursday | 9:00am – 11:00am | PSAB – Peoria Room*8351 W. Cinnabar* |

|  |  |  |
| --- | --- | --- |
| March 12, 2009Thursday | 5:00pm – 7:00pm | PSAB – Cinnabar Room*8351 W. Cinnabar* |

**ICMA – “Managing Income at Retirement”**

|  |  |  |
| --- | --- | --- |
| **Date** | **Time** | **Place** |
| March 18, 2009 (Wednesday) | 1:00pm – 3:00pm | Council Chambers8401 W. Monroe |

To schedule sessions with the ICMA Certified Financial Planner contact:

 Gary Lusk 1-866-630-3044

You can also contact Ross Emmer, ICMA Retirement Plan Specialist at: 480-584-5206

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**Declination of Participation**

**In the City of Peoria**

**Retirement Incentive Program**

Employee Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Employee ID: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Position: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Department: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I understand that I am eligible to participate in the Retirement Incentive Program being offered by the City of Peoria. I am declining participating in the Retirement Incentive Program and understand that there is no guarantee that such a program may be available in the future or the terms and conditions under which such a program may be provided.

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Human Resources

Date Received: \_\_\_\_\_\_\_\_\_\_\_\_\_\_ By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_