

ATTACHMENT I - Buy-out TRIM Employees

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Times**

Hillsborough commissioners approve plan offer buyouts to trim costs

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By Bill Varian, Times Staff Writer
In Print: Thursday, May 5, 2011

TAMPA — Hillsborough County government is turning to a tactic many private-sector employers have relied upon in recent years to trim costs:

Buyouts as an incentive for employees to retire early.

Commissioners approved a program Wednesday that would allow the county to offer its retirement-eligible employees 12 weeks of pay — up to \$25,000 — if they leave by the end of June. Those who accept it also are eligible for up to three years of continued county-paid health insurance for themselves, but not their families, or another \$10,000 in cash in

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The proposal was added to the commission's agenda at the last minute as an emergency measure. County officials fear a bill working its way through the Legislature that aims to curb severance pay for government employees could prohibit a buyout program.

County Administrator Mike Merrill said his proposal has nothing to do with enriching government employees, but will save money by encouraging high-wage employees to leave. He said he anticipates many of the jobs vacated will go unfilled, or get filled by people who make less.

"The whole idea behind it is savings," Merrill said.

Further, with property tax collections continuing to fall, county officials are expecting to implement another round of layoffs this summer. Merrill's chief administrative officer, Helene Marks, said the program should lessen the number of layoffs.

Most employees with 30 years of experience or who are age 62 with more than six years of employment would be eligible. Special-risk employees, such as firefighters, who have worked with the county or state for 26 years or are age 55 with six years on the job, also qualify.

County officials said 660 employees are eligible but said they were unable to provide a projected savings, not knowing how many will accept the offer.

Commissioner Victor Crist expressed concern that legislators may see the quick passage as an effort to thwart a state

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try to retaliate.

"To the state, this could look like we're giving away golden parachutes," he said.

Merrill said that was not his intent — that he had wanted to roll out the program summer, before learning of the severance legislation. It only sped up his timetable.

Commissioners voted 6-0 to approve the measure, with Ken Hagan leaving before the vote.

In other action:

- The board decided not to hire a consultant to assist redrawing commission district boundaries. Chairman Al Higginbotham had pitched the idea to curb political tinkering, but it was moved Wednesday to scrap the idea.

- Some commissioners voiced concern over a poor audit of the Parks, Recreation and Conservation Department. The review showed sloppy or lacking accounting in the collection of money owed to the department by program users and a failure to properly charge a reduced rate for programs due to low income actually qualify. Some of the errors contributed to a \$868,000 shortfall for the department. Parks director Mark Thorpe took responsibility and pledged to get the problems rectified quickly.

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ATTACHMENT II - Voluntary Separation Incentive Program (VSIP)

The Board of County Commissioners has approved a Voluntary Separation Incentive Program (VSIP). Eligibility for the VSIP is limited as follows:

1) Regular and Senior Management Class Employees (Includes Investment Plan Members) who, as of June 30, 2011, have 30 or more years of eligible Florida Retirement System ("FRS") service; or have attained age 62 and have 6 or more years of eligible FRS service; and who are eligible for normal FRS retirement as of July 1, 2011.

2) Special Risk Class Employees (Includes Investment Plan Members) who, as of June 30, 2011, have 25 or more years of eligible Florida Retirement System (FRS) service; or have attained age 55 and have 6 or more years of eligible FRS service; and who are eligible for normal FRS retirement as of July 1, 2011.

3) DROP Participants: who are currently participating in DROP and are scheduled for required termination of employment after January 1, 2012. Benefits offered under the VSIP are as follows:

1) Three consecutive years of County-paid single employee Group Health Plan Coverage First option premium payments or an election to take a one-time cash payment of \$10,000 in lieu of continuing Group Health Plan coverage; and

2) A one-time cash payment of 12 weeks of salary, up to a maximum of \$25,000; and

3) Annual Leave and Sick Leave payouts following current County policy. If you are eligible to participate in the VSIP, you will receive an email from the Employee Benefits and Risk Management Division no later than 5 pm, May 6. If an employee does not have an MS Outlook email address, a notification will be sent to the Department Director to immediately transmit the information to the eligible employee. Further details of the VSIP will be available in the individual emails.

If you are eligible for this Program, and have not received a notification by Friday, May 6th, 5 pm, please contact Helenenor Baker, 276-8174.

Note: Any employee who has resigned, retired or otherwise submitted written intent to separate from employment with Hillsborough County as of May 4, 2011 is not eligible to participate in this Program.

ATTACHMENT III - Acknowledgement of VSIP Package

Hillsborough County
Voluntary Separation Incentive Program (VSIP)
Acknowledgement

"I, _____, acknowledge that I have received
Print employee's name

a copy of the Voluntary Separation Incentive Program (VSIP) documentation which included a copy of the Eligible Participation Announcement, the VSIP Agreement and General Release, the Instructions for Executing the Agreement and Release, the Salary Payout Calculator.

Signature of Employee Date

Department

Daytime Telephone Number

ATTACHMENT IV - Agreement and Release Instructions

Execution Information for the VSIP AGREEMENT & RELEASE

Page 1:

Print full name of Employee on **line 2**.

Page 2:

Enter in Employee's date of resignation but not later than June 30, 2011 on **line 6**.

This entry and agreement is considered Employee's resignation letter.

The amount of 12 weeks of Employee's base salary or \$25, 000 which ever is less will be used for amount referred to on **line 14** (use payroll calculator spreadsheet to determine 12 weeks base salary by entering Employee's hourly wage in payroll calculator).

Employee initials off on **EITHER** the block for 3 years health insurance premium on **line 16 OR** the block for a one time payment of \$10,000 in lieu of health insurance premiums on **line 18**.

Page 7:

Enter date of execution (must be same date as notary signature on this page) on **Line 1**.

Enter signature of witness and Employee on **Line 2**.

Enter printed full name of Employee (same as on page 1) on **Line 3**

Enter printed address of Employee on **Line 4 & 5**.

Notary enters required information by notary below Employee's signature on same date as execution date of employee.

Enter signature of County Administrator and date of execution of the Employee & County Administrator which should be the same date.

ATTACHMENT V - EE Program Infor Letterhead

BOARD OF COUNTY COMMISSIONERS

Kevin Bedner
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Ken Hagan
Al Higginbotham
Lesley "Les" Miller, Jr.
Sandra L. Murman
Mark Sharpe



Office of the County Administrator
Michael S. Merrill

CHIEF ADMINISTRATIVE OFFICER
Helene Marks

CHIEF FINANCIAL ADMINISTRATOR
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DEPUTY COUNTY ADMINISTRATORS
Lucia E. Garsys
Sharon D. Sabadan

MEMORANDUM

DATE: May 6, 2011

TO: Employees Eligible to Participate in the Voluntary Separation Incentive Program (VSIP)

FROM: Christina M. Swanson, Division Director, Employee Benefits and Risk Management

SUBJECT: Voluntary Separation Incentive Program (VSIP) Details

The Board of County Commissioners has approved the County Administrator's recommendation to offer a Voluntary Separation Incentive Program (VSIP) to help minimize the impact of budget reductions on our employees. There are projected to be overall savings to the County based on restructuring efforts that are in progress.

Eligibility

Eligibility for the VSIP is limited as follows:

- 1) Regular and Senior Management Class Employees (Includes Investment Plan Members): As of June 30, 2011, have 30 or more years of eligible Florida Retirement System ("FRS") service; or have attained age 62 and have 6 or more years of eligible FRS service; and who are eligible for normal FRS retirement as of July 1, 2011.
- 2) Special Risk Class Employees (Includes Investment Plan Members): As of June 30, 2011, have 25 or more years of eligible Florida Retirement System (FRS) service; or have attained age 55 and have 6 or more years of eligible FRS service; and who are eligible for normal FRS retirement as of July 1, 2011.
- 3) DROP Participants: Currently participating in DROP and are scheduled for required termination of employment after January 1, 2012.

Note: Any employee who has resigned, retired or otherwise submitted written intent to separate from employment with Hillsborough County as of May 4, 2011 is not eligible to participate in this Program.

You are receiving this notification because preliminary reports indicate that you are eligible for the VSIP. The final determination of eligibility will be made by Business and Support Services when you apply for participation and your records are reviewed. The determination of the Business and Support Services Department is final.

VSIP Benefits

The benefits will consist of:

- 1) Three consecutive years of County-paid single employee Group Health Plan Coverage First option premium payments or an election to take a one-time cash payment of \$10,000 in lieu of continuing Group Health Plan coverage; and
- 2) A one-time cash payment of 12 weeks of salary, up to a maximum of \$25,000; and
- 3) Annual Leave and Sick Leave payouts following current County policy.

Other provisions of the VSIP include:

- Employees may continue dependent coverage by paying the full applicable dependent premium.
- If employees do not elect to continue participation in the Group Health Plan at time of termination, they may not re-enroll at a later date.
- VSIP participants may transfer to the Coverage First option as of July 1 or during the retiree annual enrollment period. If the participant chooses to remain in the Open Access Health Plan option, the retiree will be responsible for the difference between the Coverage First Option and the Open Access Health Plan option.
- If a VSIP participant dies prior to the end of the 36 consecutive month period of Coverage First option premium payments, the amount of the premium may be applied to dependent coverage in effect at the date of death, until the end of the 36-month period.
- The option of continuation of Group Health Plan coverage is contingent upon the FRS Pension Plan VSIP participant retiring for the purpose of receiving an FRS Pension Plan benefit as of July 1, 2011.
- If you are eligible for the Hillsborough County Health Insurance Stipend (HIS), it will be payable under the terms of the HIS plan in addition to the benefits provided under the VSIP. You will receive more details about the HIS when you complete your retirement application.
- As a retiree, you are eligible to continue participation in the Dental, Vision, and Life Insurance plans. However, you must pay the full cost of these benefits. The cost and available benefits will be explained to you at the time you process your retirement with the Retirement Unit. If you do not elect to continue, all coverage under these plans will cease as of June 30, 2011.

Schedule

Employees will have up to 45 days to elect to participate in the VSIP. Elections may be made up to and including June 20, 2011, no later than 5 pm. To participate, the employee must sign an Agreement and Release (the Agreement), which is attached to this Memorandum. This must be returned to the Employee Benefits Retirement Unit. Any employee who elects to participate will have seven (7) days following the execution of the Agreement to revoke his/her participation. The Agreement will not become effective until after the revocation period has expired. All employees who voluntarily accept the conditions of the VSIP must terminate their employment no later than June 30, 2011.

Lump sum payments of your VSIP benefits will be made no later than June 30, 2011.

VSIP Cash Benefit

Employees are eligible for 12 weeks (480 hours) salary up to a maximum of \$25,000. You may estimate the amount of your 12 weeks salary and the impact of taxes on it by using the attached Salary Payout Calculator. Remember, this is an estimate only. The exact amount of your payout can only be calculated by Payroll. Overtime payments, extra assignments, and other forms of hourly premiums will not be taken into account in calculating the payment incentive.

If an employee does not participate in or elects NOT to continue Group Health Plan coverage following the date of termination, he/she is also eligible for a one-time cash payment of \$10,000. (Remember, if you take this election, you CANNOT re-enroll in the Group Health Plan at a later date.)

Your Retirement and Leave Payout Information

Due to the short turn-around time on this Program, each eligible employee is responsible for obtaining FRS Pension estimates by using the on-line calculator at www.dms.myflorida.com. Individual estimates cannot be made by the Retirement Unit. Your accrued Annual and Sick Leave balances are available on COIN. Please access them through Payroll Self-Serve.

Your one-time cash payment of 12 weeks salary will not be included in your Average Final Compensation calculation, per FRS rules. If you elect the cash payment in lieu of three years of Group Health Plan coverage, the \$10,000 lump sum will also not be included in the retirement benefit calculation.

The Retirement Unit will be offering group meetings to assist the employees who have elected the VSIP in the retirement process. A schedule of these meetings will follow shortly.

Current eligible DROP participants must contact FRS to provide an early retirement termination date and order their DROP termination packets. The number is 1-877-738-3767. These packets must be brought with you to your group meeting. You will not be processed without this packet.

Final paychecks and/or lump sum payments are not direct deposited. They will be mailed to the address on the Payroll records, unless you make other arrangements with your department.

Please note that your Aflac benefits may be continued into retirement. FRS allows your Aflac premiums to be deducted from your FRS pension check and will remit them directly to Aflac. Contact your Aflac representatives, Travis Morehead or Brad Shattuck, 813-272-6651, to ensure that your coverage will continue after you retire. You can still enroll in Aflac if you are interested. Contact Travis for information or a personal appointment. However, your Aflac election must be received by Travis by 5 pm, June 1, 2011. It is necessary to have one month's payroll deduction prior to termination in order for coverage to be effective.

Deferred Compensation

If you have questions about your Deferred Compensation account, especially regarding roll-overs or payouts, please contact your individual representative:

Hartford – Meghan Doherty – 727-940-3158
ICMA-RC – Dino Samson – 1-866-620-6070 or 727-954-5092
Nationwide – David Wolfe – 813-763-7026 or 1-877-677-3678 Ext 44401

Federal and State Taxes

Please note that the County makes no representation on the taxability of any of the VSIP provisions nor will it provide tax advice to participants. It is your responsibility to consult with your private financial or tax advisor to understand the tax implications of the benefits. However, payment of the 12 weeks of salary and the \$10,000 cash payment option in lieu of Group Health Plan coverage for three years is subject to Federal Withholding, FICA, and Medicare taxation.

Re-employment

Employees who terminate under the VSIP are not eligible for permanent, full-time re-employment with the County or any agency funded by the Board of County Commissioners, unless otherwise required by law.

If you apply for another position covered by FRS within the first year following your retirement date, be aware that financial penalties may apply. If you are considering an FRS-covered position, you should contact FRS directly to determine what impact it would have on your benefits.

Voluntary Nature of the VSIP

- You should consult your financial advisor to determine if participation in the VSIP is the best option for your personal financial situation.
- The VSIP is totally voluntary for employees and is not an employee entitlement.
- This is a one-time offering and there are no plans or expectations that this Program will be repeated.
- Employees who participate in the VSIP may adversely affect their eligibility for or amount of Unemployment Compensation. You should consult the Unemployment Compensation Office.

Additional Information

- General informational meetings will be held. You will receive a schedule of these in the near future.
- Frequently Asked Questions and Answers will be sent to assist you.
- If you wish to schedule an appointment to apply for the VSIP, contact Helenenor Baker, 276-8174.

cc: Sandra L. Murman, Board of County Commissioners, District 1
Victor D. Christ, Board of County Commissioners, District 2
Lesley "Les" Miller, Jr., Board of County Commissioners, District 3
Al Higginbotham, Board of County Commissioners, Chairman, District 4
Ken Hagan, Board of County Commissioners, Chaplain, District 5
Kevin Beckner, Board of County Commissioners, District 6
Mark Sharpe, Board of County Commissioners, Vice-Chair, District 7
Michael Merrill, County Administrator
Bonnie Wise, Chief Financial Officer
Helene Marks, Chief of Staff
Sharon Subadan, Deputy County Administrator,
Public Safety and Community Services
Lucia Garsys, Deputy County Administrator,
Infrastructure and Development Services
Renee Lee, County Attorney

Attachments:

Voluntary Separation Incentive Program (VSIP) Details
Salary Payout Calculator
Voluntary Separation Incentive Program (VSIP) Acknowledgement
Execution Information for the VSIP Agreement & Release
Voluntary Separation Incentive Program Agreement and General Release

ATTACHMENT VI – Salary Payout Calculator

Estimating 12 Week Salary

12 Weeks	480		
Rate	\$26.59		
Salary Total	\$12,763.20		
Salary Cap	\$25,000.00		
Healthcare Cash Incentive	\$0.00	NO	
Gross Payout Amount	\$12,763.20		
Soc Security Tax	\$536.05	4.20%	
Medicare Tax	\$185.07	1.45%	
25% Flat Rate Federal Tax	\$3,190.80	25.00%	
Net Payout Amount	\$8,851.28		

ATTACHMENT VII - CBHC VSIP Acknowledgement form

**Children's Board
Voluntary Separation Incentive Program
Acknowledgement**

"I, _____, acknowledge that I have received Hillsborough County's Voluntary Separation Incentive Program (VSIP) documentation which included a copy of the Eligible Participation Announcement, the VSIP Agreement and General Release, the Instructions for Executing the Agreement and Release, the Salary Payout Calculator. On May 6, 2011, I was invited to attend a meeting with eligible Children's Board employees to receive information on the VSIP following Board of County Commission approval. On May 9, 2011, I received official notification sent to all Children's Board staff by the CEO offering the opportunity to participate in the Voluntary Separation Incentive Program contingent on Board approval. All items referenced above were emailed to me on May 12, 2011 immediately following the ratification of this program by the CBHC Board of Directors.

Signature of Employee

Date

ATTACHMENT VIII - VSIP Bakas to CBHC Board May 25, 2011 Correspondence

LAW OFFICE

John W. Bakas, Jr.
Attorney and Counselor at Law

150 E. BLOOMINGDALE AVENUE
BRANDON, FLORIDA 33511

TELEPHONE 813-228-8015

FAX 813-464-3195

E-mail jbakas@aol.com

JBakas.com

May 25, 2011

Children's Board
of Hillsborough County
1002 East Palm Avenue
Tampa, FL 33605

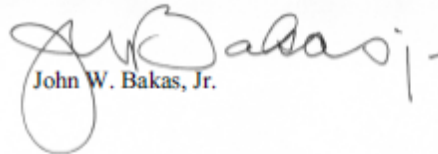
Re: Voluntary Separation Incentive Program (VSIP)

Dear Board Members:

The CBHC should not proceed with implementation of the VSIP because the waiver agreement CBHC employees would be asked to sign was not provided to CBHC employees at least 45 days prior to the deadline as required.

The Board of County Commissioners for Hillsborough County considered their VSIP on an emergency basis a few days before the 45-day deadline. The CBHC's Staff, working with a very short time frame, diligently intended to distribute to CBHC employees the same information provided by the County to its employees. When the CBHC Board considered this matter on an emergency basis on May 12, 2011, the CBHC Staff believed that CBHC Staff had followed the actions of the County prior to the 45-day deadline. However, after all the VSIP documents were assembled and I reviewed the dates of delivery to CBHC employees, I found that, unlike the County, the waiver agreement was provided to CBHC employees after the deadline.

Sincerely yours,



John W. Bakas, Jr.

JWB