



**Administrative Policy**

*Effective Date: 10/12/2016*

*Expiration Date: 12/31/2017*

**ACCELERATED RETIREMENT OPTION**

Due to budgetary limitations, Lake County is offering eligible employees an Accelerated Retirement Option (ARO) that will provide, 1) an incentive to certain employees who have a desire to retire early and; 2) a cost savings to the County in total wages by filling vacancies with employees at lower rates of compensation, eliminating positions and delaying the filing of vacancies.

In accordance with the Lake County Ordinance approved on October 11, 2016 by the Lake County Board, certain employees are eligible to receive benefits under an Accelerated Retirement Option Program. Eligible employees will be able to choose one of the following two options:

- 1) Continue health and dental insurance benefits by make contributions at the same monthly rate as full-time regular employees for two years.

OR

- 2) Continue health and dental insurance benefits by making contributions at the same monthly rate as full-time regular employees for one year and receive one (1) week of pay, at the hourly rate in effect as of the date of this ordinance or **December 15, 2016 (dependent upon the termination date)**, for every two years of service above 7 years.

**ELIGIBILITY**

Employees eligible for the program must be full-time, vested with the Illinois Municipal Retirement Fund (IMRF), have at least 8 years of Lake County service and be at least 55 years of age, **or** employees who contribute to Sheriff's Law Enforcement Personnel (SLEP) retirement fund with at least 20 years of service and who are at least 50 years of age). Eligible age and years of service must be reached by December 31, 2016.

Employees who opt to participate in the program will not be required to apply for or receive an IMRF or SLEP pension at the time of separation.

**EXCLUSIONS**

Full-time employees who hold grant funded positions or positions funded from a source other than the County's general fund are not eligible for this program unless, it can be shown that funds can be obtained from another funding source that do not impact the County's expected savings for an individual position/employee.

Any years of service earned prior to a 30 month break in service will not be used to qualify for the program and/or the calculation of pay out amounts described in option 2.

## **CONTINUATION OF INSURANCE BENEFITS**

Eligible employees may continue health and dental insurance coverage at the same group contribution rates as active employees and;

- Employees will be eligible to maintain the HMO, Traditional PPO and HMO Blue Advantage plan and coverage tier (single, single plus one and family) they were covered by as of September 1, 2016 unless a qualifying event occurs (i.e. marriage, birth adoption of a child).
- Employees will not be eligible to remain in the Consumer Driven Health Plan (CDHP) after their date of separation/retirement.
- Employees will be required to select another health care plan that will be effective on the first of the month after their date of separation/retirement. However, the employee must maintain the same coverage tier they were enrolled in as of September 1, 2016 unless a qualifying event occurs.
- Lake County's contribution to the Health Savings Accounts will be prorated based upon the date of separation/retirement for 2017.
- If an employee is in the CDHP and opts to join the traditional PPO upon separation/retirement, the employee shall be allowed to pay the CDHP active employee rate for period of time covered by the ARO program.
- Any annual changes in plans, coverage levels and employee contributions to monthly premiums approved by the County board will also apply to ARO participants.
- Employees may change coverage if the premium cost to the County is less during open enrollment or upon another qualifying event. (i.e. an employee may change from a PPO to HMO coverage but not vice versa).
- If an employee wishes to change to a plan with a higher premium during open enrollment or upon another qualifying event, the employee will pay the difference between the full cost of the premiums minus the original employee contribution amount.
- Employees who have opted out of the County's medical insurance and receive a \$1,500 payment shall receive a prorated share of the \$1,500 based upon the date of separation/retirement.
- Employees who are 65 or older or turn 65 during the subsidy period, are required to apply for Medicare part B and provide a copy of their card to Human Resources as soon as it is received. Medicare will be considered Primary and Blue Cross Blue Shield will become Secondary.

After the one or two year subsidy period ends, participants will have the opportunity to continue retiree benefit coverage at the retiree rates in effect as of the expiration date of the subsidized coverage.

~~The County will pay premiums for union employees who are members of another group health and dental plan for which, the County currently pays premiums pursuant to collective bargaining agreements, for the time period specified the option selected by the employee provided the employee does not qualify for the Union's retiree premium. If~~

~~the employee qualifies for the retiree premium, the County will not pay the cost of medical or dental insurance. The amount of premium paid will be based on the coverage levels in effect as of the date the ordinance authorizing this program is approved by the County Board.~~

### **VOLUNTARY BENEFITS**

Employees will be eligible to continue other voluntary benefits (to include vision coverage) that would normally be offered at retirement. The process for continuing voluntary benefits will follow normal retirement procedures.

### **PAY-OUT-VACATION, HOLIDAY & COMPENSATORY TIME**

Any hours worked, unused vacation time (up to 330 hours), unused holiday and compensatory time shall be paid to the employee on the next regular pay check following the employee's date of termination.

**-OR-**

Any unused vacation time balance that is two (2) weeks or less, unused holiday and compensatory time shall be paid out on the next regular pay check following the employee's last day of work.

Any unused vacation time balances that is greater than two (2) weeks may be paid to employees on regular pay dates until the time is exhausted. If this option is selected the date of termination will be the last day paid and the time shall be included in IMRF's calculation of the Final Rate of Earnings (FRE).

### **PAY-OUT-ARO & SICK TIME**

Employees shall receive payment for unused sick time and the ARO payout after **not** receiving a paycheck for one full calendar month. *(For example an employee's last regular paycheck is received on January 13 or 27, 2017, the final payouts will be made on March 10, 2017).* Unused sick and ARO payout will not be reported to IMRF and shall not be included in the calculation of the Final Rate of Earnings (FRE). Benefit time pay outs are made in compliance with policies and procedures in effect on the last day of employment.

Pay out amounts are based upon the latest start date. If there was a break in service of more than 30 months, years of service will exclude any time prior to such break. All pay outs are subject to applicable taxes and other required deductions.

### **NOTIFICATION**

Employees who decide to choose the Accelerated Retirement Option must submit a letter of intent to retire to their Department Head beginning October 12, 2016 through December 15, 2016. The Department Head and the employee must reach a mutually agreeable date for the employee's last day of work. The last day of work may be as early as October 12, 2016 but, no later than March 31, 2017. Once the date has been established the Department Head will submit the Intent to Retire Form to the Human Resources Department for approval by December 31, 2016. Once the letter of intent

has been signed by the Employee, the Department Head and the Human Resources Director shall deem it to be irrevocable.

Employees who participate in the program will not be eligible for rehire in any position and in any capacity until 31 months after their retirement/separation date.

#### **AUTHORITY**

The County Administrator has the sole discretion to set limitation, exceptions, rules and regulations in the implementation/interpretation of this program's policies and procedures. Therefore, any disputes that may arise shall be resolved by the County Administrator and such resolution shall be final and binding.

#### **UNION EMPLOYEES**

**The County Administrator shall negotiate with Collective Bargaining Groups so that their members, who are eligible for the ARO, may participate. The County Administrator shall be authorized to negotiate an agreement with these Collective Bargaining Groups provided the terms of the agreement result in a savings, for the County, that is equal to or greater than a similarly situated non-union employee. The County Board Chairman shall authorize any negotiated agreement.**

**Any agreement that does not result in savings that is equal to or greater than similarly situated non-union employee or substantially changes the provision contained in this policy shall be subject to County Board approval.**