



**Administrative Policy**  
**EARLY RETIREMENT INCENTIVE**  
**PERS – A303**

Effective Date:  
January 12, 2010  
Revised Date:  
YYYYY

## EARLY RETIREMENT INCENTIVE

### **Summary**

Due to the continuing economic decline in revenues that the Town is facing, the Early Retirement Incentive program has been created. This program will be offered during the fiscal year 2010/2011. This program may be offered for additional fiscal years as needed. Retiree health insurance is a contractual obligation for all current employees. This package pays 100% of that premium until the retiree reaches age 65, per the Personnel Manual.

### **Process**

#### **I. Eligibility**

- A. Employee must be age 55 or older before June 30, 2010.
- B. Employee must be a full time permanent employee

#### **II. Incentive**

- A. The employee will receive five (5) months of base salary. This can be paid in a lump sum, or issued per pay period for five (5) months. When taking the five (5) month payment option, the retire date will be November 30, 2010, with the final check being issued on December 17, 2010. Taxes will be taken, as required, from either option.
- B. Regardless of the retire date chosen in A, the employee's last day of work will be June 30, 2010.
- C. PTO payout will be apply per the Personnel Manual.
- D. The Town will pay the monthly premium for retiree health insurance for the employee and dependents, per the Personnel Manual, until the employee reaches age 65.

#### **III. Term**

- A. The employee must let Human Resource know by May 1, 2010 of their irrevocable intention to participate in the Early Retirement Incentive program.
- B. Employees participating will retire from Town of Payson on July, 1, 2010, or on November 30, 2010 if the five (5) month payout is selected.



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**IV. Return to Work**

- A. Employees who retire under this program may return to work for the Town as a no benefit contract employee if a position opens for recruitment.
- B. Retirees under this program will not be rehired as full time regular employees.