

NOTICE OF THE
[AGENCY]
RETIREMENT INCENTIVE PLAN
[mm-dd-yy]

I. PURPOSE

The [Agency] is facing a severe budget shortfall projected to be [\$-\$] for Fiscal Year [yy—yy]. Due to this shortfall, the [Agency] must reduce personnel costs. The [Agency] has already implemented a number of cost-cutting measures including:

[Examples]

- Separation Incentives to encourage voluntary retirement
- Voluntary Separation Program
- Reduction-In-Force

While these measures have already saved the Agency approximately [\$], additional action is needed to ensure mandated services are available within the funds allocated by the Legislature. Other cost-saving avenues remain available in the following priority order:

[Examples]

- Separation Incentives to encourage voluntary retirement
- Voluntary Separation Program
- Reduction-In-Force

This Retirement Incentive Plan (RIP) is submitted to fully outline a retirement incentive that has been developed by the [Agency] which will maximize personnel savings by offering options for employees to voluntarily retire. The [Agency] will fund the Plan within existing funds. A copy of this Plan, in its entirety, along with an Acknowledgement of Notice and Agreement and Release Form, will be provided to every [Agency] employee who is, or will be, eligible to participate in the Plan on the effective date.

Participation in the Plan is entirely voluntary. You are not required to participate in the Plan simply because, as an employee, you have received this notice.

This notice explains the provisions that govern the [Agency's] Plan and includes an "Agreement and Release" ("Agreement") that you will use should you decide to participate in the Plan. The "Agreement" includes the employee's release of any and all claims that the employee could bring against the State or the [Agency], including claims under the Age Discrimination in Employment Act (ADEA) and the Older Workers Benefit Protection Act (OWBPA). This release, however, excludes any existing Workers' Compensation claims filed by the employee. An "Acknowledgement of Notice" is also included in your receipt of the

documents in this package. Please sign and return the “Acknowledgement of Notice” when you receive this notice.

This Plan has been reviewed and approved by the Division of State Human Resources. The Plan must be based on the agency’s ability to specifically demonstrate cost savings. The results of the Plan will be reported to the Division of State Human Resources following the effective date for implementation.

The agency head is responsible for the approval of the Plan and its implementation. All decisions made under this Plan by employees to retire are voluntary and are not considered grievable or appealable under the State Employee Grievance Procedure Act.

Please direct any questions you have about retirement to [Employee Name], Benefits Section in the [Agency’s] Human Resources Office at [XXX-XXX-XXXX]. If you have questions about the Plan, please contact [Employee Name]; [Title] at [XXX-XXX-XXXX].

II. PARTICIPATION ELIGIBILITY

- A. Only employees in FTE positions may be eligible for the Plan. Those employees who are currently eligible to retire under the South Carolina Retirement System (SCRS) or the Police Officers Retirement System (PORS) or will be eligible to retire as of [mm-dd-yy], are eligible to participate in this Plan.
- B. The Agency Director and all employees who are exempt from the State Employee Grievance Procedure Act are not eligible to participate in the Plan.
- C. Employees who would be eligible to retire under PORS or SCRS as a result of accepting the “Incentive,” as defined below, as of [mm-dd-yy], are eligible to participate in the Plan.
- D. Employees who cannot purchase enough service credit in addition to service credit available under the “Incentive,” defined below, to retire as of [mm-dd-yy], are **not** eligible to participate in this Plan
- E. Employees participating in a voluntary separation program in accordance with the provisions of the State Appropriation Act are **not** eligible to participate in the Plan.
- F. The effective date of retirement and separation shall be established no later than [mm-dd-yy] so that the South Carolina Retirement Systems can verify and process the employee’s retirement.
- G. If the South Carolina Retirement Systems is unable to verify and process the employee’s retirement as of the effective date, the specific retirement date will be established on an individual basis.
- H. Employees choosing to participate in this Plan must retire and separate from service with the State of South Carolina effective no later than [mm-dd-yy].

- I. Employees choosing to participate in this Plan cannot be employed with the [Agency] in an FTE position for a period of [# (not less than 2 years)] years from the date of retirement.
- J. Under no circumstances will age, race, color, religion, creed, national origin, sex, disability, military status, or political affiliation be employed by any [Agency] official in making any decision under this Plan.
- K. The [Agency] may hire participating employees into a temporary position, as the [Agency] deems necessary, in extraordinary situations. Employees choosing to participate in this Plan cannot be rehired with the State in a temporary position for a period of fifteen (15) calendar days from the date of retirement. [OPTIONAL]
- L. The [Agency] may declare an employee ineligible based on financial considerations of the agency or on the critical need to retain the employee for the [Agency] to continue its mission. Under no circumstances will age, race, color, religion, creed, national origin, sex, disability, military status, or political affiliation be employed by any [Agency] official in making any decision under this Plan. Provided they meet all other requirements for eligibility, all employees in FTE positions may participate in this Plan EXCEPT those in the following state classifications due to the critical need to retain those business skills: [List state class title(s).] [OPTIONAL]

III. INCENTIVE

- A. As voluntarily designated by the employee on the “Agreement and Release”, the [Agency] will provide to the employee **not more than one** of the following three (3) options, and no options may be combined:
 - (1) The [Agency] will purchase up to [#] years of “qualified” service credit (if approved and as defined by the South Carolina Retirement Systems) on behalf of an employee electing to participate in the Plan, who is currently eligible to retire, or who will become eligible to retire as of [mm-dd-yy] as a result of participating in the Plan, or
 - (2) The [Agency] will purchase up to [# (limited to 5 years)] year(s) of “nonqualified” service credit (if approved and as defined by the South Carolina Retirement Systems) on behalf of an employee electing to participate in the Plan, who is currently eligible to retire, or who will become eligible to retire as of [mm-dd-yy], as a result of participating in the Plan, or
 - (3) The [Agency] will provide to the South Carolina Retirement Systems, the cost to convert up to [#] years of SCRS earned service credit, to PORS service credit.
- B. Employees participating in the Plan will receive payment for unused annual and compensatory leave balances as provided in the State Human Resources Regulations.

IV. **LIMIT ON THE INCENTIVE**

- A. Under no circumstances will the [**Agency**] purchase more than [#] years of “qualified” service credit, or [#] years of “nonqualified” service credit, or convert more than [#] of SCRS earned service credit to PORS service credit.
- B. Under no circumstances will the [**Agency**] pay for the purchase of qualified or nonqualified service credit, or conversion of SCRS service credit to PORS service credit, to any single employee in an amount in excess of [\$]. [**May not exceed one year’s annual salary**]

V. **TIMING OF ACCEPTANCE AND NOTICE PROVISIONS**

- A. Employees who are eligible to participate in the Plan may agree to participate between [mm-dd-yy] and [mm-dd-yy].
- B. In accordance with the Age Discrimination in Employment Act (ADEA) and Older Workers Benefit Protection Act (OWBPA), eligible employees may have forty-five (45) calendar days to consider whether to participate in this Plan. The final date to accept participation in this Plan is [mm-dd-yy]. If an eligible employee received notice of this Plan after [mm-dd-yy], the final date to accept participation in this Plan will be forty-five (45) calendar days after the eligible employee received notice.
- C. In accordance with the Age Discrimination in Employment Act (ADEA) and Older Workers Benefit Protection Act (OWBPA), after an eligible employee agrees to participate in the Plan, the employee will have seven (7) calendar days from the date of his or her acceptance to revoke his or her acceptance.
- D. The effective date of retirement and separation shall be established no later than [mm-dd-yy] so that the South Carolina Retirement Systems can verify and process the employee’s retirement.
- E. If the South Carolina Retirement Systems is unable to verify and process the employee’s retirement as of the effective date, the specific retirement date will be established on an individual basis.
- F. Employees choosing to participate in this Plan must retire and separate from service with the State of South Carolina effective no later than [mm-dd-yy].
- G. Employees choosing to participate in the Plan must agree that they would not otherwise be entitled to the incentive but for their participation in the Plan.
- H. All eligible employees may consult with a private attorney prior to agreeing to participate in this Plan. Any costs or fees for consultation with private attorneys are the responsibility of the employee.

- I. In addition to receiving copies of this notice and the “Agreement and Release,” should you participate in this Plan, the Age Discrimination in Employment Act (ADEA) requires that the [Agency] provide you a list of (1) all job titles and ages of the [Agency] employees who are eligible to participate in the Plan, and (2) all job titles and ages of the [Agency] employees that are not eligible to participate in the Plan.

- J. All employees receiving this notice, “Agreement and Release,” and the list described in Section “[]” of this notice must sign the attached “Acknowledgement of Notice” of the [Agency] “Retirement Incentive Plan” upon receipt and return the Acknowledgement to [Employee Name] of the [Agency’s] Human Resources Office by [mm-dd-yy].

**Acknowledgement of Notice
of the
[Agency]
Retirement Incentive Plan**

I, the undersigned, have received a copy of the Plan explaining the provisions of the [Agency's] "Retirement Incentive Plan," and I understand its contents. I understand that my participation in the Plan is voluntary. I have also received a copy of the attached "Agreement and Release." To participate in the "Retirement Incentive Plan," I understand that I must make an application, be accepted into the Plan, and sign and abide by the "Agreement and Release."

Name (please print): _____

Signature: _____

Date: _____

Please return this acknowledgement by [Date] to [Agency Coordinator] in the Human Resources Office.

[Agency Coordinator]

Date Received