

DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES
Bureau of Human Resources

June 4, 2009

HUMAN RESOURCES MEMORANDUM 09-09

TO: Agency Heads, Human Resource Representatives, Directors of Administrative Services, Payroll Officers

SUBJECT: 2009 Retirement Incentive Program

This memorandum outlines a special retirement incentive program being implemented pursuant to Public Law 2009, Chapter 213, Part Y. This incentive program is only **open to state employees who have reached their normal retirement age on or before July 1, 2009.**

Employees who wish to participate must apply for the incentive to the Bureau of Human Resources between July 1, 2009 and August 15, 2009 using the attached Notice Of Intent To Participate In The 2009 Retirement Incentive Program.

Who is eligible for the retirement incentive program?

1. Employees in the regular plan (Retirement Plan 110) who had 10 years of creditable service on July 1, 1993 are eligible if both of the following conditions are met:
 - (a) employee is at least 60¹ years of age on July 1, 2009, ***and***
 - (b) employee has at least 10 years of creditable service on July 1, 2009.

2. Employees in the regular plan who had less than 10 years of creditable service on July 1, 1993 are eligible if both of the following conditions are met:
 - (a) employee is at least 62² years of age on July 1, 2009, ***and***
 - (b) employee has at least 10 years of creditable service on July 1, 2009.

3. Employees in any of the special plans must meet the age ***and*** years of service requirements for their particular plan.

Any employee who meets these requirements is eligible for the incentive payment, even if the employee has already submitted a termination notice to retire.

¹Employees in this category who have at least 25 years of creditable service would be eligible at 59½ years of age.

²Employees in this category who have at least 25 years of creditable service would be eligible at 61½ years of age.

The program provides a **cash incentive** to employees who meet the specified age and service requirements (above) and who retire effective July 1, 2009, August 1, 2009, or September 1, 2009. For full-time employees, the amount of the cash incentive is \$10,000. For part-time and seasonal employees, the \$10,000 cash incentive will be prorated based on authorized position hours and weeks-per-year for the position from which the employee will retire.

Positions vacated by employees retiring under this program will be frozen through June 30, 2011. In the event a position is deemed critical and must be filled, the agency must identify comparable savings in the Personal Services line in the same fund before the position will be cleared to fill. *(Exceptions to this policy may be approved by the Commissioner of the Department of Administrative & Financial Services.)*

The cash incentive payment will be made by the employing department. The retirement incentive payment will be made in one lump sum, subject to appropriate tax withholdings, in January 2010.

IMPORTANT INFORMATION FOR EMPLOYEES WHO WISH TO RETIRE UNDER THIS PROGRAM

1. The cash incentive that is paid to participating employees will **not** be part of the average final compensation that is used to compute retirement pensions. It is separate in all respects from the employee's retirement pension.
2. Eligibility for group health insurance coverage and life insurance requires minimum service time. All employees are strongly encouraged to contact the Maine Public Employees Retirement System to verify eligibility to retire and to become informed about how retirement on one of the effective dates for this program will affect retiree health and life insurance benefits.
3. Eligibility to retire under this incentive program will be verified with the Maine Public Employees Retirement System before the incentive payment is released.

Departments must use termination code 1P (Cash Payment Incentive) on the Termination Form and in the MFASIS HR System to maintain a record of employees who retire under this program.

The Bureau of the Budget will be providing additional guidance at a later date.

Questions on the incentive program itself should be directed to the Bureau of Human Resources, ATTN: Thaddeus Cotnoir at 624-7799.

S/ Alicia Kellogg

Alicia Kellogg, Director
Bureau of Human Resources

**NOTICE OF INTENT TO PARTICIPATE IN THE 2009 RETIREMENT
INCENTIVE PROGRAM**

Name (Please Print)

Department

Social Security Number

Date

I wish to participate in the retirement incentive program. I understand that I must meet the eligibility requirements listed on page 2 of this form, and that I must retire effective July 1, 2009, August 1, 2009, or September 1, 2009.

In order to be eligible for the incentive, this completed form must be received by the Bureau of Human Resources (4 State House Station) no later than 5:00 pm on August 15, 2009.

I understand that the retirement incentive payment will be prorated for part time and/or seasonal employment, and that if I am a part time and/or seasonal employee, the incentive payment will be less than \$10,000.

I understand that the retirement incentive payment will not be part of the average final compensation that is used to compute retirement pensions.

I understand that the retirement incentive payment will be made by the employing department in January 2010.

I understand that my eligibility for this retirement incentive program will be verified with the Maine Public Employees Retirement System and that payment will not be made until eligibility has been verified.

Employee Signature

Date

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\$ _____	amount of incentive payment (prorated based on authorized position hours and weeks)

Important Information on Eligibility to Participate in this Program

1. Employees in the regular plan (Retirement Plan 110) who had 10 years of creditable service on July 1, 1993 are eligible if both of the following conditions are met:
 - (a) employee is at least 60¹ years of age on July 1, 2009, **and**
 - (b) employee has at least 10 years of creditable service on July 1, 2009.

2. Employees in the regular plan who had less than 10 years of creditable service on July 1, 1993 are eligible if both of the following conditions are met:
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3. Employees in any of the special plans must meet the age **and** years of service requirements for their particular plan.

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