

**ITEM NO. 1914-E**

**Subject:** Extension of Settlement Agreement for Individuals Electing to Retire in Lieu of Layoff to Employees Exempt from Collective Bargaining

**Effective:** March 8, 2013

Pursuant to the Settlement Agreement dated March 8, 2013 of a prohibited practice complaint, this item extends the terms of the settlement agreement to all employees exempt from collective bargaining in the executive, legislative and judicial branches participating in the State Employees Retirement System.

Under its terms, certain SERS members may elect to retire in lieu of layoff.

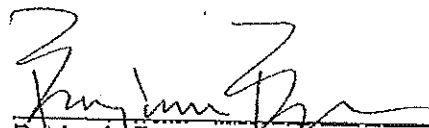
1. **Eligibility:** SERS members who were under the age of 55 **AND** had twenty-five or more years of service **prior to August 31, 2011**.
2. **Election period:** Eligible SERS members must irrevocably elect to retire in lieu of layoff **AND** sign a stipulated agreement (sample attached) by May 1, 2013.
3. **Retirement date:** Eligible Tier I members must retire no later than July 1, 2013. Tier 2 members must retire no later than September 1, 2014.
4. **Benefit to Tier I members (must retire no later than July 1, 2013):** The eligible member may elect between the following two options:
  - a. Have their benefit reduced by 4.5% for each year they are under 55 as of their date of retirement (no later than July 1, 2013) and be entitled to the COLA provisions of individuals who retired after October 1, 2011; OR
  - b. Have their benefit reduced by 6.0% for each year they are under 55 as of their date of retirement (no later than July 1, 2013) and be entitled to the COLA provisions of individuals who retired before October 1, 2011.
5. **Benefit to Tier II members who elect to retire no later than July 1, 2013:** The eligible member may elect between the following two options:
  - a. Have their benefit reduced by 4.5% for each year they are under 60 as of their date of retirement (no later than July 1, 2013) and be entitled to the COLA provisions of individuals who retired after October 1, 2011; OR
  - b. Have their benefit reduced by 6.0% for each year they are under 60 as of their date of retirement (no later than July 1, 2013) and be entitled to the COLA provisions of individuals who retired before October 1, 2011.
6. **Benefit to Tier II members who elect to retire after July 1, 2013 and no later than September 1, 2014:** The benefit will be reduced like any other early retirement benefit (6% for each year before eligibility for normal retirement), however, individuals who elect to retire in lieu of layoff will be entitled to the COLA provisions in effect for individuals who retired prior to October 1, 2011.
7. **Replacement of the positions of individuals electing to retire in lieu of layoff:** An agency may request to have the position(s) refilled for individual(s) electing to retire in lieu of layoff, however, the budgetary restrictions presently in place remain in effect.

Any eligible SERS member who wishes to take advantage of this offer must sign an irrevocable election to retire no later than July 1, 2013 for Tier 1 or September 1, 2014 for Tier 2 members. Such Irrevocable election must be signed no later than May 1, 2013. Any eligible SERS member who makes this election relinquishes any and all reemployment and/or SEBAC rights to which they might be entitled.

Approved by:

Date:

 3/13/13  
Donald J. DeFrongo, Commissioner  
Department of Administrative Services

 3/17/13  
Benjamin Barnes, Secretary  
Office of Policy and Management