



Timothy M. Keller, Mayor

*Office of the Director of Human Resources Department
Insurance and Benefits Division*

**AI NO: 7-27
RETIREMENT PROCESS**

TITLE: Retirement Process

PRIMARY DEPARTMENT: Human Resources

Background:

The purpose of this Administrative Instruction is to revise the established Policy and Guidelines regarding the retirement process to include calculating deferred compensation "catch-up" provisions, vacation and sick leave "cash out" payments and regular wages for the last pay period. This will allow a sufficient amount of time to ensure all payments and calculations are timely and accurate.

Policy:

In order to ensure that retirees are transferred into Early Retirement in a timely manner and to ensure that all sick and vacation balances are accurate and Deferred Compensation lump sums payments are done accurately and in a timely manner the following process will be enforced:

Employee Responsibilities:

1. Prospective retirees are advised to submit a request for Total Service Credit Verification using the PERA Request Form (available in the Insurance and Benefits Office) or a request letter, at least one year prior to their planned Early Retirement date or planned PERA retirement date.
2. The prospective retiree must contact the PERA office to complete their retirement application at least 90 days prior to retirement or, if using Early Retirement, 90 days prior to Early Retirement date.
3. Prospective retirees must submit a memorandum to their Department Director, through their immediate supervisor, advising the Department Director of their intent to retire. This memorandum should include the effective date of retirement. A copy of this memorandum will then be submitted to the Insurance and Benefits Division of Human Resources.
4. Immediately upon completing the retirement application, the prospective retiree must contact the Insurance and Benefits Division for an appointment to chart out their Early Retirement schedule, to finalize cash out payments and to complete the basic life beneficiary form. At this initial appointment, the prospective retiree must submit a copy of the PERA Application for Pension, date-stamped and/or Retirement Letter from PERA.

5. Retirees electing to defer a lump sum payment to their Deferred Compensation plan under the "catch-up" provision must contact their Deferred Compensation representative to complete the necessary forms. Forms must be submitted to the Insurance and Benefits Division at least three weeks prior to the actual retirement date. The retiree must ensure that the amount being deferred is equal to or less than the vacation/sick leave balance the retiree is entitled to receive. Once this deferral is processed adjustments cannot be made so it is important that the amounts and paperwork be correct.

Operating Departments Responsibilities

1. Forward notices of resignation to the Human Resources Department Insurance and Benefits Division within 24 hours of receipt from the prospective retiree. Scan and email the notices of resignation to all Insurance & Benefits Specialists.
2. Reconcile the prospective retiree's vacation and sick leave balances.
3. Ensure the prospective retiree has taken their birthday leave, managerial leave and floating holidays and has used or is paid for compensatory time prior to transferring into Early Retirement.
4. Ensure that the prospective retiree is coded correctly on the last payroll so that there is no delay in submitting a certification to PERA.

Human Resources Responsibilities

1. Process all early retirements and process "cash out" payments timely and accurately.
2. Ensure the Deferred Compensation "catch up" provisions are processed in accordance with the rules and regulations and to coordinate with the respective Deferred Compensation representative and City payroll as necessary.
3. Ensure the reconciled balances of all vacation and sick leave hours are "cashed out" in accordance with the designated timelines.
4. Distribute this Administrative Instruction annually to all prospective retirees with twenty-three years, of service or more, or eighteen (18) years for Police and fire, as reflected in the payroll system.
5. Present this Administrative instruction at all pre-retirement seminars.
6. Ensure that all medical and dental benefits for prospective retirees are in effect through the end of the corresponding month.

Early Retirement

1. Prospective retirees must schedule an appointment with the Insurance and Benefits Office ninety (90) days prior to entering into Early Retirement. Prospective retirees may take leave with pay equivalent to the amount of sick and vacation leave they have accumulated.
2. The prospective retiree must submit a copy of the PERA Application for Pension, date-stamped, and/or a copy of the PERA Retirement Letter, at the time of their Early Retirement appointment.
3. HR will transfer prospective retirees to Early Retirement at the beginning of a pay period in

accordance with a leave chart which establishes the entry date into Early Retirement and which schedules leave usage up to the retirement date.

4. Prospective retirees in Early Retirement are not entitled to salary increases afforded City employees and may not use donated leave or hardship leave in early retirement. Prospective retirees using sick and vacation leave in Early Retirement are not eligible to accrue sick or vacation leave while in Early Retirement.

Retirements During the Calendar Year

1. Prospective retirees will receive a paycheck with regular wages for the last pay period corresponding with their effective date of retirement, on the next regularly scheduled pay date.
2. If the prospective retiree has a balance of vacation and/or sick leave that is to be paid out in cash, this amount will be paid on the next regular pay date after the pay date in which the prospective retiree received their final regular wages.

End of Year Retirements

1. Prospective retirees will receive their last biweekly wages on the first payday in January to include any regular hours worked through December 31.
2. For prospective retirees opting for the split "catch-up" clause for deferred compensation, the first portion of the "catch-up" will be processed on a special payroll run during the last regular payroll in November.
3. For prospective retirees opting for the split "catch up" clause for deferred compensation, the second portion of the deferral will be paid on the second payroll in January.
4. For prospective retirees not deferring, the remainder of vacation and sick leave balances will be paid by direct deposit on the second payroll in January.

Other Special Circumstances

1. Prospective retirees covered by the APD or AFD Collective Bargaining Agreements are permitted, by contract provision, to defer sick and vacation leave at year end if they are retiring at any time prior to the end of the following calendar year. Such prospective retirees are to declare retirement and file paperwork with the City Insurance and Benefits Division in accordance with the policy outlined in this Administrative Instruction before the end of the calendar year prior to the year in which they intend to retire. Upon filing the required paperwork and being credited with the first deferral payment, retirement is not revocable.
2. Prospective retirees using deferral of sick and vacation leave to purchase prior service credit or uniformed service credit from PERA may defer leave 90 days prior to their retirement date in order to allow sufficient time for the necessary fund transfers. The 90-day advance deferral will be subject to processing of retirement paperwork as outlined in the Administrative Instruction. It will also be necessary for prospective retirees to submit a letter requesting approval from the Director of Human Resources for the sell back, a copy of the Credit Service Letter from PERA, and a copy of the estimate from PERA for the purchase of the credit service time. Upon completion of the advanced deferral, retirement is not revocable.

Conflict of Interest Early Retirement/Retirement

Individuals in early retirement and within one (1) year of their official retirement date cannot represent any person or business in connection with matters in which the employee has performed in an official act, unless the Director of Human Resources concurs and the Chief Administrative Officer consents in writing to such representation. Any requests to enter into a contract to represent the City in any matter may be approved with the concurrence of the Director of Human Resources and the approval of the Chief Administrative Officer.

Pre-Retirement Seminars/Counseling

City employees will receive updated information regarding the retirement process through regularly scheduled Pre-Retirement Seminars (every other month for the general employee population and public safety officers).