

COUNTY OF ALBEMARLE
PERSONNEL POLICY

§P-63

RETIREMENT

I. REGULAR RETIREMENT

A. General

Retirement shall be at the discretion of the employee. Full-time regular employees of Albemarle County who qualify are eligible for the benefits of the Virginia Retirement System ("VRS"). Additional information describing VRS benefits is available on-line at varetire.org.

B. Continuing Participation in the County's Medical and Dental Insurance Plans

1. All employees retiring under VRS and/or the County's VERIP policy are eligible for continuous participation in the group medical and dental insurance plans until they are eligible for Medicare coverage if they participated in the County's group medical and dental insurance plans on the day prior to separation from the County. The age and service criteria for VRS are as follows: 50 years of age with 10 or more years of continuous regular employment by a VRS-participating employer; or 55 years of age with 5 or more years of continuous regular employment by a VRS-participating employer.
2. Individuals eligible to participate in the County's group medical and dental insurance plan shall pay the full cost of health insurance coverage, including any applicable administrative expenses.
3. Any retirees or Board members who participated in the County's group medical and/or dental insurance plans as of December 1, 2009 shall continue to be eligible to participate, at their own cost, until they are eligible for Medicare coverage.

II. LONGEVITY INCENTIVE PROGRAM

The County values the service of all of its employees, both full-time and part-time. Since part-time employees are not covered by VRS, the County has elected to establish a Longevity Incentive Program (the "Program") and thereby provide eligible part-time employees with certain benefits as more fully explained in this section.

A. Scope of Program

All regular, part-time employees of the County will be covered by the Program provided that they work the minimum number of hours necessary to establish eligibility for County benefits. Salaried Board Members are not eligible for participation in this program.

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Longevity Incentive Program (continued)

B. Benefits

The following benefits will be provided to eligible part-time employees under the Program:

1. Life Insurance: A term life insurance policy will be provided equal to twice the employee's annual salary with double indemnity for accidental death and dismemberment payments for the accidental loss of one or more limbs or of eyesight.
2. Annuity Program: Based on length of service in the County, part-time employees will be provided with an annuity program. The Board will contribute an annual amount according to the following formula:
 - a. 5 - 9 years of County service - five percent of annual salary.
 - b. 10 - 14 years of County service - seven percent of annual salary
 - c. 15 - 19 years of County service - nine percent of annual salary.
 - d. 20+ years of County service - eleven percent of annual salary.

III. Retirement Pay/Payment upon Death

In recognition of employee service to Albemarle County, regular full-time and part-time employees who meet the age and service criteria for retirement under VRS and have been employed a minimum of five (5) years with Albemarle County shall be paid upon their retirement or death in service \$200 per year for each year of service to the County as a regular employee up to a maximum payment for 25 years of service, less any years previously paid for under this policy. Years of service do not have to be continuous.

IV. Voluntary Early Retirement Incentive Plan (VERIP)

A. Eligibility

1. Participants in the Albemarle County VERIP must be regular full-time or regular part-time employees eligible for benefits as defined in P-02, Definition of Employee Status and meet the following additional requirements:
 - a. Full-time employees must be eligible for early or full retirement under the provisions of VRS. Part-time employees must meet the same age and service criteria as if they were full-time employees covered under VRS.
 - b. Have been employed by the County government and/or school division for 10 of the last 13 years prior to retirement.
2. Employees retiring under the disability provisions of VRS and/or Social Security shall not be eligible for the VERIP.

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Voluntary Early Retirement Incentive Plan (continued)

3. VERIP benefits will cease if the retiree returns to work in a regular full-time or regular part-time position with the County government and/or school division.
4. VERIP benefits will continue if the retiree returns to work in a temporary part-time or temporary full-time position with the County government and/or school division.

B. Benefits

1. VERIP benefits shall be paid monthly for a period of five years after retirement or until age 65, whichever comes first. The VERIP benefits consist of a stipend calculated in accordance with Section B.2 (“stipend”) and a monetary contribution toward health insurance (“medical contribution”).
2. Stipends under VERIP will be calculated as follows:
 - a. Compute the annual VRS benefit. This computation shall include any reductions for early VRS retirement if appropriate.
 - b. Recompute the annual VRS benefit with the addition of five more years of service or the number of additional years needed to reach age 65, whichever is lesser.
 - c. The difference between these two calculations is the annual VERIP stipend (“Stipend Value”) to be paid on a monthly basis.
 - d. Stipends for part-time employees who are eligible to participate in VERIP shall be determined as if the part-time employees are eligible for an annual VRS benefit and the amount shall be calculated in the same manner as benefits for VRS-eligible employees under subsections (a) – (c) above.
3. The County Executive will recommend to the Board an annual adjustment to the VERIP stipend after having been apprised of the VRS adjustment for retirees.
4. The Board will pay a monetary contribution toward an employee’s health insurance as long as the employee remains eligible to receive VERIP benefits. Retirees receiving VERIP benefits who elect to remain on the County’s health insurance will pay premiums for the coverage equivalent to that paid by active employees electing the same level of coverage. Retirees receiving VERIP benefits who elect not to remain on the County’s health insurance will receive the monetary contribution as a payment. The maximum value of this payment will be seven hundred and twelve dollars (\$712.00) per month.

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Voluntary Early Retirement Incentive Plan (continued)

5. Effective December 2, 2009, the VERIP stipend shall continue to be calculated in the manner provided in Section B.2, but the stipend amount shall be modified in accordance with the following schedule:
 - a. Retirements effective on or after July 1, 2012 but before July 1, 2013: 80% of the Stipend Value.
 - b. Retirements effective on or after July 1, 2013 but before July 1, 2014: 60% of the Stipend Value.
 - c. Retirements effective on or after July 1, 2014 but before July 1, 2015: 40% of the Stipend Value.
 - d. Retirements effective on or after July 1, 2015 but before July 1, 2016: 20% of the Stipend Value.
 - e. Retirements effective on or after July 1, 2016: No VERIP Stipend.

C. Application

Applications for VERIP must be made to the Human Resources Department prior to December 1st of the year preceding the fiscal year the employee's participation in VERIP takes effect. Applications after December 1 may be approved based on the needs of the County.

D. Approval

All VERIP applications are subject to approval by the County Executive or designee.

E. Duration

The Board of Supervisors reserves the right to modify this policy in its discretion, and all benefits described in this policy shall be subject to future modifications and annual appropriations by the Board of Supervisors.

F. Additional Benefits

1. Current employees who apply for VERIP by February 27, 2009 and who meet the eligibility standards identified below shall be entitled to receive, at their election, **one** of the following:
 - a. Two additional years of Board contributions toward health insurance beyond the duration established by Section IV.B, paid on a monthly basis. Employees who retire at 65 years of age or older shall receive two years of contributions toward health insurance.
 - b. The cash equivalent of two additional years of Board contributions toward health insurance, calculated at the FY 2009-10 annual rate and paid in one or more installments.

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Voluntary Early Retirement Incentive Plan (continued)

2. To be eligible for the additional benefits in this section, employees must:
 - a. Submit VERIP applications by February 27, 2009;
 - b. Submit a letter by April 1, 2009 establishing a retirement date no later than June 30, 2009; **and**
 - c. Retire after the effective adoption date of this subsection (F) but no later than June 30, 2009.
- G. Targeted Retirement Incentives
1. Current employees holding positions in paygrades 16 and higher whose retirement is determined by the County to not impair the essential functions of the department, who apply for VERIP by March 15, 2010, and who meet the eligibility standards identified below shall be entitled to receive, at their election, **one** of the following:
 - a. A lump sum payment equivalent to 20% of the employee's current salary. "Salary," for non-exempt employees receiving benefits pursuant to this section, shall mean the employee's current annualized pay based on his regular hourly rate and regularly scheduled work hours.
 - b. Monthly payments, the total of which is equivalent to one week of pay for every full year of service with the County for up to 20% of the employee's salary. The number of monthly payments will be determined by the County, however, it shall not exceed sixty (60) monthly payments.
 - c. Continued full Board contributions toward the employee's health insurance for an additional 3 years beyond the contributions specified in Section B of this policy, or until the age of 65, whichever comes first.
 2. To be eligible for the additional benefits in this section, employees must:
 - a. Submit VERIP applications by March 15, 2010;
 - b. Submit a letter by April 1, 2010 establishing a retirement date no later than June 30, 2010; **and**
 - c. Retire after the effective date of this subsection G but no later than June 30, 2010.
 3. The County Executive or his designee may extend for up to 6 months the June 30, 2010 retirement date required by G.2.b and G.2.c for an employee who is otherwise eligible for the benefits in this subsection G upon a finding that such employee's retirement serves the interest of the County.

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Voluntary Early Retirement Incentive Plan (continued)

Amended: August 4, 1993; April 19, 1995; June 2, 2004; January 7, 2009; December 2, 2009; March 3, 2010; May 10, 2017.