



2009 Retirement Incentive Program

As a result of the recent budget challenges, the City is proposing a unique opportunity for employees covered by the Denver Employees Retirement Plan to participate in a special voluntary retirement incentive program.

Eligibility:

Must meet the "Rule of 75" (at least 55 years old and whose age and years of service to the City add up to at least 75) or must be at least 65 years old

Benefit:

\$500 per month for 30 months paid by the City.

How does it work?

If approved by City Council, eligible employees will be able to enroll from October 1 through November 15, 2009.

There will be a seven-day grace period following enrollment for employees to reconsider enrollment. Separation from the City must occur no later than November 30, 2009.

The program is available retroactively for employees who meet the eligibility requirements above and voluntarily separated from service on or after July 31, 2009.

Career Service employees working at Denver Health who meet the eligibility criteria are

included in those employees eligible for the incentive program. Individuals employed directly by the Denver Health and Hospitals Authority are not eligible to participate.

For more information about the incentive program, contact retirement@denvergov.org.

For information about your specific retirement situation, contact the Denver Employees Retirement Plan at mbrsvs@derp.org or (303) 839-5419.

More information on the program will be coming soon.



Frequently Asked Questions

Is the stipend of \$500 per month/30 months taxable income?

Yes. The \$500 retirement incentive payments will be considered salary continuation and will be taxed based on the employee's W-4. Federal Income Tax, State Income Tax and FICA (Social Security) will be withheld by the City.

Can the City delay the program until January, 2010 for tax purposes?

No. The City must begin the program as soon as possible in order to begin generating budget savings in 2009. If someone who separates from the City is scheduled to receive a large payout

in accrued sick and vacation time, one option is to defer that payment into a qualified 457



deferred compensation retirement plan in order for it to be considered tax deferred. Eligible participants should consult a tax advisor to decide what is best for them financially. The program has a 45-day deliberation period following City Council enactment for opting-in, and a 7-day window to rescind participation to allow time to consider whether or not to participate.

How and when can I enroll?

Following City Council enactment, the Citywide Payroll Division of the Controller's Office will distribute forms and procedures for enrollment.

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Frequently Asked Questions – *continued from front*

When will I get the first stipend?

Incentive payments will be paid on the 2nd payroll of each month. The first installment will be within 60 days of the separation from service date.

Is there a survivor benefit?

No. The incentive payment will not be considered part of your pension benefit. This is cash compensation (“salary continuation”) from the City which would end upon untimely death, the same as normal salary compensation from the City would.

How do I know if I’m eligible?

You are eligible if you are currently a full-time employee covered by the Denver Employees Retirement Plan and meet the “Rule of 75” (at least 55 years old and whose age and years of service to the City add up to at least 75) or are at least 65 years old.

How does this program affect half-time employees?

Individuals must be full-time employees in order to be eligible for the incentive payments.

Can I purchase “service years” to be counted toward eligibility for this program?

Purchasing additional years of service will increase the amount of an employee’s monthly pension benefit, but such purchased service does not allow the employee to meet the Rule of 75 sooner than he or she would without purchasing service.

Are DROP participants eligible?

Employees who were in DROP I and are still employed by the City do meet the eligibility criteria for the incentive program.

Can I still receive medical benefits?

DERP contributes toward retirees’ group health insurance, for both under-65 retirees and Medicare-eligible retirees. The amount of DERP’s contribution is determined by your years of service to the City. Contact DERP at mbrsvs@derp.org or (303) 839-5419 for more information.



How will furlough days impact salary calculations?

Employees have the option of offsetting the impact of furlough days on the 36-month-average-salary calculation used by DERP, by paying DERP the full 11% of payroll charge for the 8-hours of salary not received from a furlough day. Contact DERP at mbrsvs@derp.org for specific information on the amount of payment you would need to make.

Do military credits count toward retirement?

Employees who are away from City employment on military duty may purchase service at their own expense to offset that time. Various rules cover this situation. Employees to whom this applies should contact DERP at mbrsvs@derp.org to get specific information about their circumstances.

Can I come back and work for the City part-time if I enroll? How many hours?

In a few instances, a department manager may choose to hire back someone who separates from the City under this program for the purposes of training a new employee and ensuring a smooth transition. The person will be hired back on a temporary basis as an employee (not a contractor) and cannot work more than 1,000 hours in a calendar year. This part-time status will not include health benefits and will not impact pension benefits as long as the employee does not work more than 1,000 hours in a 12-month period.

The date of separation is November 30 which is a Monday. Do I have to work Monday to be paid for the holiday and furlough day of the week prior?

Ordinarily to be paid for a holiday, employees have to work (or receive paid leave) on their scheduled workdays before and after the holiday. Since Friday the 27th is an unpaid furlough day, employees need to be at work on the work day before Thanksgiving in order to be paid for that holiday.

When will I get first check for pension, incentive, as well as sick/vacation payout?

The first date that the employee will receive the incentive pay will be 60 days from their last day worked. Pension payments begin on the first day of the month following the last month worked. The Payroll Team will strive to have all vacation and sick payouts to employees who are retiring before the end of the year.

If I become eligible between November 15 and November 30, can I still participate and advance enroll in the October 1 - November 15 time-frame?

Yes. Anyone who meets the eligibility requirements by the required-separation-date of November 30, 2009 will be eligible for the incentive payments. You can, and must, “pre-enroll” by the November 15 enrollment deadline.

Where can I get more information?

We will continue to send announcements through e-mail bulletins, InSight and other internal channels. You can send additional questions about the retirement incentive program to retirement@denvergov.org. If you have questions concerning your DERP status or pension benefit, please contact DERP at mbrsvs@derp.org.