

Retirement Assistance Program
Voluntary Retirement Health Incentive Policy

Section 1. Introduction

The Board of Supervisors (Board) hereby enacts this Retirement Assistance Program (RAP), a Voluntary Retirement Health Incentive (VRHI) Policy authorizing the County Executive Officer to approve the RAP for use by departments. When authorized by the County Executive Officer, a department will offer the incentive to retirement eligible employees who volunteer to separate from the County by resignation. The RAP operates within, and is subject to, the County's Retiree Medical Program and Health Reimbursement Arrangement Program as in effect from time to time. This includes the Retiree Medical Grant to Health Reimbursement Arrangement conversion approved by the Board on December 20, 2022 and effective June 16, 2023.

Section 2. Employee Eligibility and Participation for Retirement Health Incentive

Eligibility to participate in the RAP shall be determined in accordance with the following conditions:

- a. Must currently be employed by the County and occupy a regular or limited-term position. Employees who are eligible to receive their Service Retirement Allowance under their respective Retirement Plan shall be eligible to receive the employer contribution to the Health Reimbursement Arrangement (HRA) under the VRHI.
- b. Employees must have achieved permanent status and successfully completed the initial probationary period. Employees may be in promotional probation status and qualify for the program, so long as they have completed a probationary period in at least one County classification.
- c. Employees in all classifications, except those identified by the County Executive Officer as being exempt, are eligible to participate in the RAP. The County Executive Officer shall have discretion to exempt classifications because they are either critical/hard-to-fill positions or because employees in the classification receive larger than average annual employer HRA contributions pursuant to a collective bargaining agreement.
- d. The voluntary resignation date (last day in paid status with the County) must be effective after the RAP is approved by the Board and within the time period designated by the County Executive Officer.
- e. To participate in the RAP, eligible employees must sign the County authorized, Notice of Resignation and Waiver. VRHI contribution(s) to the HRA will be processed after separation.
- f. Employees who accept a VRHI will acknowledge their decision to separate from County employment is entirely voluntary and that they have been advised that this could impact their eligibility for unemployment benefits.

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- g. Employees who voluntarily separate from County employment in conjunction with the RAP and receive the VRHI to which they are entitled, are not eligible to be rehired into regular or limited-term County employment. Extra-help employment will be considered, if permitted by PEPRA and any future retirement statutes, County policy, and if approved, by the Chief Financial Officer and the Chief Human Resources Officer or their designees.
- h. Government Code 7522.56 (f) & (g) requires that employees who receive a retirement incentive, such as the VRHI, upon retirement shall not be eligible to be employed by the County for a period of 180 days following the date of retirement.
- i. Employees who receive a VRHI acknowledge there is no understanding or agreement with the County for any future employment.

Section 3. Incentive Payment Provisions

An eligible employee participating in RAP must agree to voluntarily separate from the County on or before the deadline date noted on page 6 of this policy to receive the one-time County contribution in the amount equal to the pre-tax amount approved by the Board, to the employee's County of Orange HRA under the VRHI.

Section 4. Department Conditions

The following conditions must be met by departments offering the RAP:

- a. Each position vacated through a voluntary RAP separation (or another position identified by the Department Head) shall be deleted.
- b. Once the applicable Notice is received it shall be forwarded to Human Resource Services for tracking purposes. Incentive payments will originate with departments.
- c. Departments will be responsible for notifying all employees of their eligibility for the RAP.
- d. Unless required by law, a Notice of Resignation and Waiver submitted by an eligible employee may not be withdrawn once submitted to the Department.

Section 5. Process

The Board hereby adopts the RAP and authorizes the County Executive Officer to determine the timeframes RAP shall be offered, and to determine if specific parameters based on classifications or departments shall apply. Departments will be responsible for notifying employees of their eligibility in the RAP and distributing information and forms. The retirement eligible employees' voluntary resignations may be received once the County Executive Officer identifies the time period and the documentation required to participate in the RAP. Employees shall submit a Notice of Resignation and Waiver to the Department. The amount of the incentive will be a fixed amount. VRHI contribution(s) to the HRA will be processed after separation.

Section 6. Term

Based upon identified budget deficits, the County Executive Officer will determine the time period and parameters for implementation of the voluntary retirement incentive to be offered to eligible employees, subject to Board approval. The County Executive Officer shall have the authority to amend the administrative application of the RAP if necessary to ensure the successful implementation of the program.

Section 7. Communication

The County and employee labor organizations may develop and distribute literature to represented employees that publicize and explain the RAP.

SCHEDULE OF ELIGIBILITY
FOR VOLUNTARY RETIREMENT HEALTH INCENTIVE

If an employee qualifies for a Service Retirement Allowance under the schedule¹ below the employee is eligible for the Voluntary Retirement Health Incentive. For example, an employee who is eligible for a Service Retirement Allowance under Plan I/J (2.7% @ 55) who is 50 and has 10 years of service is eligible for the Voluntary Retirement Health Incentive.

Plan A (2% @ 57)	Plan P/T-PEPRA Compliant (1.62% at 65)
Plan B (1.67% @ 57.5)	Plan Q/R (Safety 3% @ 55)
Plan E/F (Safety 3% @ 50)	Plan U (PEPRA 2.5% @ 67)
Plan I/J (2.7% @ 55)	Plan V (Safety PEPRA 2.7% @ 57)

Service Retirement Eligibility for Plans A, B, I, J, P and T

As an active member, you are eligible for a Service Retirement Allowance when you meet the minimum age and Service Credit requirements listed below.

- Any part-time or full-time member age 50 or over with 10 or more years of service.
- Any member at any age with 30 or more years of service.
- A part-time employee age 55 or older with 5 years of Service Credit and at least 10 years of active employment with an employer covered by OCERS.
- Age 70 or over, regardless of your years of service.

Service Retirement Eligibility for Plan U

As an active member, you are eligible for a Service Retirement Allowance when you meet the minimum age and Service Credit requirements listed below.

- Any member age 52 or over with 5 or more years of service.
- Age 70 or over, regardless of your years of service.

¹ The schedule of eligibility for the Service Retirement Allowance was taken from the OCERS Summary Plan Descriptions which may be found for General Members at [County of Orange General Member SPD](#); and for Safety Members at [County of Orange Safety Members SPD](#).

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Service Retirement Eligibility for Plans E, F, Q and R

As an active member, you are eligible for a Service Retirement Allowance when you meet the minimum age and Service Credit requirements listed below.

- Any part-time or full-time member age 50 or over with 10 or more years of service.
- Any age with 20 or more years of service.
- A part-time employee age 55 or older with 5 years of Service Credit and at least 10 years of active employment with an employer covered by OCERS.
- Age 70 or over, regardless of your years of service.

Service Retirement Eligibility for Plan V

As an active member, you are eligible for a Service Retirement Allowance when you meet the minimum age and Service Credit requirements listed below.

- Any member age 50 or over with 5 or more years of service.
- Age 70 or over, regardless of your years of service.