

STATE OF ILLINOIS

COUNTY OF KANE

RESOLUTION NO. 09 - 237

**RESOLUTION AUTHORIZING THE KANE COUNTY EMPLOYEE FY2009-2010
VOLUNTARY RETIREMENT PLAN FOR EMPLOYEES ELIGIBLE TO RECEIVE
AN ILLINOIS MUNICIPAL RETIREMENT FUND PENSION FOR SHERIFF'S LAW ENFORCEMENT
PERSONNEL**

WHEREAS, Kane County, along with the entire nation has recently experienced an economic downturn; and

WHEREAS, Kane County has experienced a substantial reduction in revenues and has accordingly amended its 2009-2010 budget; and

WHEREAS, a special budget task force has been established to consider tools and methods by which the County can reduce expenditures both for the current fiscal year and subsequent years; and

WHEREAS the special budget task force has diligently investigated and considered various alternative proposals to accomplish the County's objectives; and

WHEREAS the special budget task force has, with the assistance of County staff, recommended adoption of the Kane County Employee FY2009-2010 Voluntary Retirement Plan For Employees Eligible to Receive An Illinois Municipal Retirement Fund Pension For Sheriff's Law Enforcement Personnel; and

WHEREAS, the County Board has determined that it is in the best interest of the County and its citizens to adopt and authorize the said program.

NOW, THEREFORE, BE IT RESOLVED by the Kane County Board that:

Section 1: The facts and statements contained in the preamble of this resolution are hereby found by the Kane County Board to be true and correct and are hereby adopted as part of this resolution;

Section 2: The Kane County Employee FY2009-2010 Voluntary Retirement Plan For Employees Eligible to Receive An Illinois Municipal Retirement Fund Pension for Sheriff's Law Enforcement Personnel program attached hereto as Exhibit A and incorporated herein is hereby adopted effective July 14, 2009.

Passed by the Kane County Board on July 14, 2009.

John A. Cunningham
Clerk, County Board
Kane County, Illinois

Karen McConnaughay
Chairman, County Board
Kane County, Illinois

Vote:

Yes

No

Voice

Abstentions

7SLEP plan

**Kane County Employee FY2009-10 Voluntary Retirement Plan
For Employees Eligible to Receive An Illinois Municipal Retirement Fund Pension
For Sheriff' Law Enforcement Personnel**

Goal: To preserve the long-term financial stability of Kane County through the effective management of personnel and employee benefit expenses.

Method: Provide employees a financial incentive to voluntarily retire from their employment with Kane County and take advantage of their years of dedicated service and accrued sick leave.

Details: The program is strictly voluntary and specifically targeted for employees who are able to retire with a Sheriff's Law Enforcement Personnel (SLEP) pension through the Illinois Municipal Retirement Fund. Although participation is specifically excluded for the Kane County Sheriff and Kane County Board Members, the employees in the offices of Kane County Sheriff may be included.

Participating employees may choose to terminate their employment with any effective date between July 14, 2009 and November 30, 2009, both dates inclusive. However, employees must communicate their decision to participate in the plan by August 31, 2009. Employees electing to participate will agree not to apply for, and will not be allowed to secure employment with any branch of Kane County government as a regular status employee for five (5) years following their retirement date. Thereafter, Illinois Municipal Retirement Fund rules governing employment with Kane County shall apply.

Employees are required to "retire" to take advantage of this program. This plan is not an IMRF early retirement plan.

Incentives: Employees who participate in this program will receive incentive payments for the following:

1. Payment of all accrued vacation, compensatory time and pre-89 sick days according to County policy at the participating employee's hourly rate in effect at the date of termination; plus
2. Use of accrued extended (or reserve) sick days to enhance an IMRF pension. These days cannot be counted toward the twenty (20) years needed to qualify for an IMRF SLEP pension.
3. Employees retiring under this plan may elect one of the following two health insurance-related options:
 - a. **Option #1** – Employees who on the effective date of termination under this plan will be at least age 50 and have 20 or more years of Kane County service credit with IMRF may continue coverage by the County's health insurance for a maximum of five (5) years, with the County contributing towards the employee's health insurance coverage, provided that such premium cost shall not exceed fifty percent (50%) of the amount paid at the PPO "employee plus one" rate. The employee must pay the remaining portion of the premium, including any additional cost for "family" coverage.

OR

- b. **Option #2** – employees may waive coverage of the County's health insurance and receive a one-time additional incentive payment of \$7,500.

- c. In each case, employees electing to participate in the program will be given notice (together with their covered dependents) of their right to continue health insurance as required by COBRA.
 - i. If an employee elects Option #1, coverage provided on the terms described above will be in lieu of COBRA and no election is necessary. COBRA will not be available after the end of the coverage period set forth in Option #1.
 - ii. If an employee elects Option #2, he or she will receive the incentive payment after the end of the applicable 60 day period within which he or she or any covered dependent, may elect coverage under COBRA. In the event that either such employee or any of his or her covered dependents elects coverage under COBRA during such period of time, no incentive payment will be made.

Employee Procedures:

Employees wishing to participate in this plan should complete the “Request for Estimate and Election to Participate in the Kane County Voluntary Retirement Plan For Employees Eligible to Receive An Illinois Municipal Retirement Fund Pension For Sheriff Law Enforcement Personnel” form that is attached to this document. The form shall be submitted by the employee to the Kane County Department of Human Resource Management no later than 4:30 p.m. on August 14, 2009. The Payroll Office will review the request, calculate the employee’s estimated incentive payment (based on the expected retirement date), and return the form to the employee by August 24. The requesting employee would then indicate their irrevocable decision to participate, their approval of the estimated incentive payment, and their health insurance coverage election **by signing the form in the appropriate place and returning it** to the Department of Human Resource Management no later than 4:30 p.m. on August 31.

All employees interested in this plan will be strongly encouraged to meet with one of the County’s deferred compensation providers. This will provide the employee a private consultation with a licensed financial expert. Employees should consider the entire financial effect of this decision and should take time to consider the financial impact of this plan.

Employee Replacement Procedures:

The Sheriff agrees that any headcount reductions resulting from employees taking advantage of the plan will remain in effect for six (6) months from the retirement date of the departing employee.

The Sheriff acknowledges that the County Board may reduce the number of authorized deputies from to 96 to 87; provided however, any deputies whose salary is paid or reimbursed entirely from a grant or other external funding source shall not count toward the number of authorized deputies.

Requests for exceptions to these rules must be reviewed and approved, on a case by case basis, by the Judiciary Public Safety Committee that oversees the Sheriff’s Office and the Finance Committee and the Executive Committee of the Kane County Board. In recognizing exceptions, the highest level of consideration will be given to public safety positions.

**Kane County Employee FY2009-10 Voluntary Retirement Plan
For Employees Eligible to Receive an Illinois Municipal Retirement Fund Pension
For Sheriff' Law Enforcement Personnel**

I. REQUEST FOR ESTIMATE OF INCENTIVE PAY

I hereby request an estimate of the "Incentive Payment" amount that I would be eligible for if I elect to participate in the Kane County Employee FY2009-10 Voluntary Retirement Plan for Employees Eligible to Receive a Regular Illinois Municipal Retirement Fund Pension.

Printed Name: _____ Latest Expected Retirement Date _____
Department: _____
Address: _____ (Must be between 7/14/09 & 11/30/09)

Signature: _____
Date: _____

II. INCENTIVE PAYMENT ESTIMATE

The following "Incentive Payment" estimate is provided for the above-named employee in accordance with the terms provided for in the Kane County Employee FY2009-10 Voluntary Retirement Plan For Employees Eligible to Receive An Illinois Municipal Retirement Fund Pension For Sheriff' Law Enforcement Personnel

- 1. _____ Accrued vacation, compensatory time and pre-89 days according to policy
- 2. _____ Extended/Reserve sick hours to enhance pension
- _____ Total estimated pre-tax cash payout

(NOTE: This amount will be \$7,500 higher if you choose below to discontinue health insurance coverage and neither you nor your covered dependents elect COBRA continuation coverage during the applicable 60 day period following notice given to you and them.)

Completion of Sections I and II of this form does not obligate employees to retire under the Plan. The irrevocable election to retire is made only by signing and returning Section III of this form that acknowledges your acceptance of the estimate.

III. ACCEPTANCE OF ESTIMATE AND ELECTION TO PARTICIPATE

I understand that my election to participate is irrevocable, and that I agree not to apply for, and may not be employed by any branch of Kane County government, in any capacity, during the five years immediately following the effective date of my retirement under the plan. I hereby declare my acceptance of the estimate of the "Incentive Payment" and my voluntary election to participate in the Kane County Employee Voluntary Retirement Plan. Additionally, my selection of either continued insurance coverage or the additional incentive payment is indicated below:

_____ I will be at least 50 years of age and will have twenty (20) years of service credit with Kane County at my termination date and hereby elect to continue my County health insurance coverage for a maximum of five (5) years, with the County contributing towards the employee's health insurance coverage, provided that such premium cost shall not exceed fifty percent (50%) of the amount paid at the PPO "employee plus one" rate. I must pay the remaining portion of the premium, including any additional cost for "family" coverage.

_____ I hereby elect to receive the **\$7,500** additional incentive pay in lieu of coverage by the County's health insurance. Any County health insurance coverage I have will end upon my retirement from County employment. I further understand that this incentive payment will be made to me only after the expiration of the 60 day period for election of COBRA by myself and my covered dependents, and only if both I and my covered dependents do not elect COBRA coverage.

Signature: _____
Date: _____
Retirement Date: _____