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**City of Peoria**

**Voluntary Severance Program**

**What is the City of Peoria Voluntary Severance Program?**

The Voluntary Severance Program is a “voluntary” process that offers all benefited employees a severance package to resign between **January 1, 2011 and no later than June 30, 2011,** as an integral part of an overall budget reduction. **The application must be filed between November 8, 2010 and December 15, 2010, with no applications after that date being accepted.** No penalty is imposed on any employee that elects not to participate in the program.

**Eligibility Requirements:**

Eligibility to participate in the City of Peoria Voluntary Severance Program is as follows:

* You must be currently employed in a benefited full-time or part-time position with the City of Peoria.

**What are the benefits to taking the Voluntary Severance Program?**

For those employees who elect the voluntary severance program will receive the following benefits:

1. **Sixteen (16) weeks** of base pay - into your Section 457 Deferred Compensation Plan or cash payment.
2. Vacation Leave 100% of balance on your last day - into your Section 457 Deferred Compensation Plan or cash payment.

1. Sick Leave 50% of balance as of your last day - into your Section 457 Deferred Compensation Plan or cash payment.
2. Personal Leave & Comp Time 100% of balance on your last day - into your Section 457 Deferred Compensation Plan or cash payment.
3. $1,200 “credit” to use towards COBRA medical and/or dental insurance (if you do not elect COBRA medical and/or dental you do not get the credit). *This will be administered separately.*

**How will the Voluntary Severance Program be paid?**

1. The Voluntary Severance Benefits will be paid in a separate payment along with your last regular pay check and released on the last normal regular pay day.
2. Pre 1984 ASRS members are required to have ASRS contributions withheld on all final monies before any type of disbursement.
3. Employees covered under an MOU will have payments directed in accordance with the Memorandum of Understanding.
	1. The sixteen (16) weeks of base pay will be subject to State, Federal and FICA Income Tax. *You can choose to have the monies deposited as a lump sum payment into the City’s Section 457 Deferred Compensation Plan for the benefit of the employee in accordance with existing plan requirements (subject to FICA taxes) \*Employees who have exceeded their contribution limits will receive this benefit in the form of a lump sum cash payment subject to State, Federal and FICA Income Tax.*
	2. The $1,200 credit will be applied to your COBRA medical and/or dental insurance. *If you do not elect COBRA medical and/or dental you do not get the credit. This will be administered separately.*
	3. The 50% cash out of sick leave balance will also be subject to State, Federal and FICA Income Tax. *You can choose to have the monies deposited as a lump sum payment into the City’s Section 457 Deferred Compensation Plan for the benefit of the employee in accordance with existing plan requirement (subject to FICA taxes). \*Employees who have exceeded their contribution limits will receive this benefit in the form of a lump sum cash payment subject to State, Federal and FICA Income Tax.*
	4. Cash out of vacation leave, personal leave and comp time balance at 100% will also be subject to State, Federal and FICA Income Tax. *You can choose to have the monies deposited as a lump sum payment into the City’s Section 457 Deferred Compensation Plan (ICMA) for the benefit of the employee in accordance with existing plan requirements (subject to FICA taxes). \*Employees who have exceeded their contribution limits will receive this benefit in the form of a lump sum cash payment subject to State, Federal and FICA Income Tax.*
	5. The City of Peoria does not warrant or guarantee the tax consequences of participation in this program. Employee should consult with a tax advisor of their choice as to any tax consequences.
	6. The City of Peoria does not warrant or determine that any of the benefits provided under this program are community property subject to equitable division. Employees should consult with a legal advisor as to any community property issues.

**Waiver and Release of Claims:**

Employee agrees to release the City of Peoria, Arizona, its elected officials, employees, officers and agents from all claims or demands Employee may have or may have had arising out of Employee’s employment with the City, including but not limited to participation in this voluntary severance program. This release includes but not limited to:

1. Release of any claims, cause of action or damages arising under the Age Discrimination in Employment Act as amended.
2. Release of any claims, cause of action or damages arising under the Arizona Civil Rights Act. Title VII, Civil Rights Act of 1964 as amended, Family and Medical Leave Act, Older Workers’ Benefit Protection Act and any other basis.
3. After this waiver is executed, this release does not apply to any claims that arise after that date. The consideration for this waiver and release is employee’s participation in and receipt of benefits under this program.
4. PLEASE NOTE THAT EXECUTION OF THIS APPLICATION CONTAINING THIS WAIVER AND RELEASE OF CLAIMS MAY HAVE LEGAL CONSEQUENCES. YOU ARE ADVISED TO CONSULT WITH A LEGAL ADVISOR OF YOUR CHOICE.

**Period for Review:**

Employees have between **November 8, 2010 and December 15, 2010** to review and consider entering into this “Voluntary Severance Program”. Election to participate in the “Voluntary Severance Program” is entirely voluntary and employees are under no obligation to elect participation.

**Right to Revoke Agreement:**

Employee may revoke this Agreement **within seven (7) business days** of Employee making the election. Revocation must be made in writing and received by the Director of Human Resources no later than close of business of the seventh (7th) business day after Employee makes the election.

**Termination of Employment:**

By electing the “Voluntary Severance Program”, Employee agrees to the following conditions:

* Employee will be ineligible to apply for employment with or to return to work as an employee or a contract worker, with the City of Peoria for a period to two years measured from the date of termination.
* Employee must resign his/her position with the City of Peoria between **January 1, 2011 – June 30, 2011.**
* Employee understands for acceptance of the application for voluntary severance employee is required to maintain a satisfactory performance. Failure to do so may result in discipline up to and including termination.

**Application Process:**

Employees who elect to participate in the Voluntary Severance Program are required to complete the “Voluntary Severance Program Application and accept the terms of the program. **The application period will begin at 12:00am. November 8, 2010 and end at 6:00 pm December 15, 2010.**

Employees should review **all** program documents provided in order to make an informed election.

Please feel free to contact the Human Resources Benefits Department at (623-773-7554) if you have any further questions concerning the City of Peoria Voluntary Severance Program.



City of Peoria “Voluntary Severance Program”

**Application for Participation**

**Application Deadline: December 15, 2010 at 6:00pm**

**Eligibility to participate in the City of Peoria Voluntary Severance Program is as follows:**

* **You must be currently employed in a benefited full-time or part-time position with the City of Peoria.**

**To Be Completed by Employee:**

*Please Print*

Employee Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 First Middle Last

Employee Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Employee SSN: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date of Hire: \_\_\_\_\_\_\_\_\_\_\_\_\_

Date of Birth: \_\_\_\_\_\_\_\_ Job Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Department/Division: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Supervisor: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Resignation date - last day of work:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *Will you be retiring?* [ ]  Yes [ ]  No

***(must be between January 1, 2011 and no later than June 30, 2011)***

*I understand the voluntary severance monies will be a separate payment along with my last regular pay check and paid on the normal last regular pay day. I also acknowledge that pre 1984 ASRS members are required to have ASRS contributions withheld on all final monies before any dispersements.*

***I elect to have my voluntary severance monies paid in the following manner:***

**Please place an “X” by your selection**.

**16 weeks of base pay**: [ ]  Cash Pay *or* [ ]  Deposit into 457 Deferred Comp Plan\*

**Vacation 100%**: [ ]  Cash Pay *or*  [ ]  Deposit into 457 Deferred Comp Plan\*

**Personal Leave 100%**: [ ]  Cash Pay *or*  [ ]  Deposit into 457 Deferred Comp Plan\*

**Sick Leave 50%**: [ ]  Cash Pay *or*  [ ]  Deposit into 457 Deferred Comp Plan\*

**Comp Time 100%:** [ ]  Cash Pay *or*  [ ]  Deposit into 457 Deferred Comp Plan\*

**$1,200 credit towards COBRA Health Insurance**:

 [ ]  Yes, I will be electing COBRA medical coverage and will complete the required COBRA election forms.

 [ ]  No, I will not be electing COBRA and therefore, waive the $1,200 credit.

 [ ]  Keep current direct deposit for final paycheck or [ ]  Pick-up my last paycheck in payroll

**\* Complete a 457 Deferred Comp “Change Request Form” and attach it to this application.**

I understand that the City of Peoria Voluntary Severance Program is voluntary and I verify that I am making this request voluntarily and on my own. I further understand that this voluntary severance program will be administered in accordance with policies and procedures established for this program and that I have received and understand terms of the program. **I further understand that in exchange for acceptance of my application for voluntary severance I am required to maintain a satisfactory performance. Failure to do so may result in discipline up to and including termination.** I understand that I may revoke this Agreement within seven (7) business days of signing it. *Revocation must be made in writing and received by the Director of Human Resources no later than close of business of the seventh (7th) business day after Employee signs the agreement.*

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Signature of Employee Date

**Application must be received in Human Resources no later than 6:00pm December 15, 2010.**

Date Received in HR: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Processed by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date: \_\_\_\_\_\_\_\_ Payroll: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date: \_\_\_\_\_\_\_