



Early Retirement Incentive Program Proposal

LIUNA proposes that the District offer an Early Retirement Incentive Program (ERIP) to classified employees who are aged 50 or above and have at least 5 years in PERS (fully vested). Currently there are 352 classified employees, approximately 170 employees of which fit this criteria, with a combined annual salary of over \$7 million.

We propose that the district offer to purchase 2 years' PERS service credit/cash equivalent (employee choice) to our classified members who submit a retirement notice with an effective date no later than the end of January, 2012, roughly $\frac{1}{2}$ way through the school year. The cost of purchasing 2 years service credit is approximately equal to 40% of the annual salary base. This would be a one-time cost and could be done in-house with no broker fees.

The benefits to the district are as follows:

1. The cost of $\frac{1}{2}$ a year's salary/LRCs plus the cost of purchasing 2 years' service credit would still be less than the employee's full year's salary/LRCs.
2. Each vacant position could be evaluated for possible work year adjustments prior to any new recruitment. This could reduce the ongoing costs of that position if/when it is filled (District's decision). Done in this manner, the work year adjustment would not be considered a layoff, therefore not subject to bumping and reinstatement rights as there would be for work year adjustments to existing employees.
3. The ERIP package that we are proposing would include instituting a beginning salary step (Step 0) for new employees. This new initial hire step would be 5% less than the current Step 1. We would then recommend that any hiring of new classified employees at a range higher than 0 be strictly controlled, if allowed at all.
4. LIUNA would be willing to suspend enforcement of our limits on hiring substitute workers while each vacancy is considered for possible reduction. This would allow the District time to determine future program going forward.