

CITY COUNCIL POLICY 3-6-6

DISTRIBUTION: City Manager, All Departments

SUBJECT: Voluntary Separation Plan

APPLICATION: Applies to All Employees (except as may be provided differently due to or under the terms of a collective bargaining agreement (cba) and/or associated cba prevailing practices and those covered by an employment contract) for the fiscal year of 2017/2018.

PURPOSE: The purpose of the voluntary separation plan is to allow for voluntary reductions in force for the City of Muskogee. The concept of this Plan involves a one-time method of strategically addressing our budget and personnel expenditures to ensure we are aligning our budget with priorities and City needs moving forward. This Voluntary Separation Plan will help facilitate an employee's transition to retirement, or early retirement at will, and provides access for additional benefits for other potential career opportunities, creates opportunities for the City of Muskogee's restructuring and assists the City in meeting its fiscal responsibilities. Use of this program has the same objective as other downsizing initiatives which allow the City to minimize the impact of downsizing by allowing employees to volunteer to be separated in lieu of other employees who may be subject to a reduction in force (RIF).

A. Procedure

1. At its sole discretion, the City of Muskogee may initiate a voluntary separation plan. This program may become necessary due to lack of work or funds, or whenever it is advisable in the interest of economy to reduce the number of regular employees. The intent of this Plan is to seek the necessary staff reductions through voluntary methods.
2. This program is designed to benefit both the City of Muskogee and its employees. Approval of the voluntary separation plan by the City of Muskogee means that an employee will not be automatically disqualified when applying for unemployment compensation, as is usually the case when an employee voluntarily leaves employment, without reasonable cause. However, individuals must still meet the eligibility requirements of the state of Oklahoma's unemployment compensation program to receive benefits. The City of Muskogee will provide fair and consistent treatment of all individuals involved in the process.

B. Eligibility

1. There will be no minimum requirement of participants for the Plan to be in effect but will be limited to a maximum of 20 participants during fiscal year 2017-2018 (General and AFSCME employees combined).
2. To be eligible for the Voluntary Separation Plan, an employee must be an active fulltime employee who has not turned in a notice of resignation or retirement

prior to the effective date of this policy and does not have any pending disciplinary action(s) when submitting an application for participation in this Plan.

3. Employees must, prior to leaving employment at the City of Muskogee, have been offered an opportunity to participate or have made a special request for a voluntary separation under this Plan.
4. Applicants must be active fulltime employees with a minimum of ten (10) consecutive years of fulltime service as an employee of the City of Muskogee and must also be eligible for early retirement (at least 55 years with 10 years of service) or regular retirement (age 65).
5. The request to participate in the Voluntary Separation Plan must be hand delivered by the applicant to the Human Resources Department. Applications will only be accepted from October 2, 2017, (8:00am) until October 13, 2017, (5:00pm).
6. Applications will be accepted on a first-come first-serve basis. Upon receipt of the application, the Human Resources representative will time/date stamp the application to ensure timely receipt of the application. Only the first 20 applications who meet the eligibility requirements of the policy will be considered for the voluntary separation plan.
7. The Voluntary Separation Plan is irrevocable once the employee has received the separation notice. However, the City reserves the right to cancel this Plan if necessary.
8. The Voluntary Separation Plan benefits are not retroactive and this Plan's benefits will be automatically approved for those certified employees who qualify and whose application meets the requirements as specified in the above Sections B-4 and B-5.
9. In the event that a court should determine that this Plan is unenforceable, neither party shall have any claim against the other, nor shall the participant be entitled to reinstatement.

C. Benefits

1. Employees who apply and are granted to participate in the Voluntary Separation Plan will be awarded their accrued vacation leave balance and sick leave balance upon separation, for a combined total not to exceed 500 hours. Any compensatory time accrued by the separating employee will be paid above the 500 accrual cap. In addition, employees will be credited with an additional 360 hours of vacation leave and will be paid their full leave balance based on their last hourly rate of pay.

2. Employees who apply and are granted to participate, who are under the age of 65 will receive the employee only level of insurance premiums paid for by the City until they hit age 65 or for a two (2)-year period, whichever is earlier. If an employee reaches the age of 65 prior to a full two (2)-year period of the City paying for their insurance, the employee will then receive benefits as specified in Section C-3, for a combined total not to exceed two (2) years (24 months).
3. Employees who apply and granted to participate, who are age 65 or older will receive a one (1)-time lump sum payment in the amount equal to the City's cost for employee only health insurance for the employee to apply to their Medicare premiums for a period of two (2) years (24 months). No insurance or Medicare payments will be provided for a period more than two (2) years (24 months) in total.
4. Accruals for sick, vacation and compensatory time will be made in a one (1)-time lump sum check. All money paid under this plan will be reported to the participant through the use of a W-2.
5. In the event of the death of a participating employee prior to the maximum benefit period for the insurance benefit, benefit payments will cease immediately.
6. The City of Muskogee makes no representation of any kind whatsoever regarding the tax consequences to participants of payments made herein. The City shall withhold taxes and other obligations, such as garnishments, from the payment amount to the extent required by state or federal law.

D. Application under the Voluntary Separation Plan

1. Eligible employees who wish to participate in the Voluntary Separation Plan are required to submit an application (Exhibit 1) to the Human Resources Department in person. Upon receipt, the Human Resources representative will time and date stamp the application.
2. Applications will only be accepted as specified in Section B-5. Applications received after the cut-off date will not be considered unless it is in the best interest of the City to make the exception.
3. Submitted applications will be reviewed by the Human Resources Director and City Manager. Upon approval of application, employee will be notified by letter with applicable payout amounts for leave accruals and the effective date of the separation.

VOLUNTARY SEPARATION PLAN ELECTION FORM

City of Muskogee

The City of Muskogee is pleased to offer this Voluntary Separation Plan to eligible employees as an opportunity to voluntarily terminate employment with the City and receive a separation package. The separation package will be in exchange for signing a release of any claims against the City.

You must complete and submit this application to the **Human Resources Department** in order to participate in the Voluntary Separation Plan. Before completing this form, please read City Council Policy 3-6-6 to ensure you understand the provisions of this voluntary Plan.

PERSONAL INFORMATION (to be completed by applicant)

NAME (Last, First, MI)		DATE OF BIRTH
HOME ADDRESS		PHONE NUMBER
DEPARTMENT	DIVISION	POSITION

- I am currently under the age of 65 (If I turn 65 prior to a full two years of City-paid insurance premiums, I will receive a one-time lump sum cash payment, upon separation, intended to cover my Medicare premiums for the remainder of the two year period). I turn 65 on _____.
- I am currently 65 or over the age of 65 (I will receive a one-time lump sum cash payment intended to cover my Medicare premiums for a period of two years).

By signing this form I agree to terminate my employment voluntarily and I understand I must sign the release of claims that will be provided to me in order to receive any severance pay under the terms of the Voluntary Separation Plan. I also understand this Plan is irrevocable.

EMPLOYEE SIGNATURE	DATE
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SEPARATION DATE AND SEVERANCE CALCULATOR (to be completed by HR Dept)

SEPARATION DATE		VACATION ACCRUAL TO SEPARATION
SICK LEAVE ACCRUAL TO SEPARATION	TOTAL HOURS AVAILABLE FOR PAYOUT (UP TO 500)	ADDITIONAL VACATION BENEFIT (360 HOURS)
TOTAL SEVERANCE PAYOUT	INSURANCE CANCELLATION DATE	MEDICARE PREMIUMS DUE
HUMAN RESOURCES DIRECTOR SIGNATURE		DATE

RELEASE OF ALL CLAIMS

I, _____, for and in consideration of the opportunity to resign my employment under City Council Policy 3-6-6, Voluntary Separation Plan, and other consideration evidenced herein, do hereby issue, effective November 3, 2017, my resignation from employment with the City of Muskogee and the City of Muskogee agrees not to dispute my claim for benefits under the Oklahoma Employment Securities Act. The undersigned on behalf of the undersigned, and on behalf of all and each of the heirs, executors, administrators, successors and assigns of the undersigned, (hereinafter referred to as "Releasors") hereby releases and forever discharges the City of Muskogee of and from any and all claims, known and unknown, including but not limited to any and all claims related to or arising out of my employment relationship with City of Muskogee and further agree not to maintain any suit or cause of against in any Court against the City of Muskogee for the same. The above mentioned consideration is the entire and only consideration for this release. It is intended by Releasors and Releasees, and each of them, that this release shall be complete and shall not be subject to any claim of mistake of fact or law by the undersigned, and that it expresses a full and complete settlement of liability claimed and denied, as against Releasees and, regardless of the adequacy of inadequacy of the amount paid, this release is intended to avoid litigation and to be final and complete. It is agreed and stipulated by the undersigned that the consideration for the release is a fair and reasonable settlement.

STATE OF OKLAHOMA
COUNTY OF MUSKOGEE

On this ___ day of _____, 20___, before me, a duly commissioned and sworn Notary Public in and for the above State and County did appear _____ before me signed the within instrument. I know that each said signatory the within instrument is the person whose name is subscribed.

IN WITNESS WHEREOF. I have a hereunto signed my name and affixed my official seal this date.

Notary Public

My Commission Expires:

E. Ensuring the Voluntary Separation Plan is Voluntary

The City of Muskogee Human Resources Department is responsible for ensuring that employees are not coerced into separation under the Voluntary Separation Plan and for ensuring the employee's decision is not based on erroneous or misleading information.

REFERENCES: N/A


EFFECTIVE DATE: October 2, 2017

RESCISSION: This policy rescinds and supersedes any prior policy in conflict herewith.

RESPONSIBLE DEPARTMENT: Human Resources

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MUSKOGEE, OKLAHOMA, THIS 25 DAY OF September, 2017.

ATTEST:



Tammy L. Macy, City Clerk
(SEAL)





JOHN R. COBURN, MAYOR

APPROVED as to form and legality this 25 day of September, 2017.



Roy D. Tucker, City Attorney