Early Retirement Program

The City of Spokane offers a one time set of options by which employees may voluntarily retire early through mutual agreement with the City. Employees who are at least fifty years old, who have at least five years of creditable service with the City and are members of the Spokane City Employees’ Retirement System or related pension program which includes City employees, may request early retirement benefits from the City. As a consideration for the voluntary early retirement, the employee must perform, in addition to his or her regular job tasks, such additional tasks as maybe required by his or her supervisor in order to terminate or transfer the functions of the job the employee currently performs including training as required.

General Conditions

The City may provide supplemental early retirement benefits to eligible employees who retire by mutual agreement with the City. Application for early retirement benefits under the options described below must be made in writing to the Human Resources Department by close of business on Friday, November 19, 2004, for a retirement no later than December 30, 2004. Approval of any retirement application under this program rests in the sole discretion of the Mayor. Copies of the application procedures are available in the Human Resources Department. The availability of early retirement options under this program in no way entitles or guarantees the provision of those benefits to employees who apply. The Mayor will consider each employee’s application individually, taking into consideration the requirements of the employee’s department.
and other financial considerations. The employee’s division director/department head will be consulted during the review of the application. Final approval or rejection of the application for early retirement benefits rests solely at the discretion of the Mayor.

An employee whose application has been accepted by the Mayor must sign a contract with the City outlining the conditions of the employee’s early retirement no later than November 19, 2004 to be effective December 30, 2004.

By accepting early retirement benefits from the City, the employee shall agree not to file for unemployment benefits for the length of participation in the program. Nothing will preclude the employee from filing for unemployment benefits after separation from the City if the employee works for another employer after retirement from the City and separates from that employment.

**Eligible employees may receive a lump sum payment into a Health Reimbursement Arrangement (HRA)**

Applicants for this early retirement benefit who are approved by the Mayor will have a lump sum payment made into a Health Reimbursement Arrangement as follows:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Lump Sum Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 years but less than 11 years</td>
<td>$10,000</td>
</tr>
<tr>
<td>11 years but less than 21</td>
<td>$12,500</td>
</tr>
<tr>
<td>21 years and over</td>
<td>$15,000</td>
</tr>
</tbody>
</table>

Payout of this incentive will go in to a Health Reimbursement Arrangement with the city of Spokane as Plan Sponsor. The Plan will be self-funded medical expense
reimbursement arrangement to reimburse eligible retiring employees of the city for the reimbursement of allowable medical, dental and other similar expense incurred by the employee, their spouses and dependents. It is intended that the Plan meet the requirements for the qualification under Code Section 105, and the benefits paid to retiring employees be excludible from their gross incomes by virtue of Section 105 (b) and Section 106 (a). HRA plan funds can be used to purchase or pay for qualified medical service.

**Access To City Plan III**

An approved eligible retiring employee may continue participation in the City’s self insured City Plan III for up to three years after retirement or eligibility for Medicare whichever comes first. The employee will be responsible for full cost of premiums for self and dependents. At the conclusion of eligibility in this program, the employee may participate in the City’s Retiree Medical program. Arrangements with the City’s Benefit Department can be made for automatic payment from the employee’s Health Reimbursement Arrangement Account for either of their premiums.

**Restriction on Vacant Positions**

The position being vacated by an employee participating in this program or a position of similar standing and value must be permanently eliminated at the determination of the Mayor. This resolution supersedes all earlier retirement or severance resolutions adopted by the City Council.