The following information pertains to employee benefits and lay-off issues. We hope this information is beneficial to you. If you have any suggestions for future employee communication issues, please feel free to contact the staff in Human Resources.

Future communication issues will be coming out on a two-week interval for the next couple of months.

1. LAY OFF DATE

When will employees be laid off?

As of this writing, we are still looking at a lay-off date of February 26, 2000. This date is a worst case scenario date. Employees will work through Friday, February 25, 2000, or Saturday, February 26, 2000, depending upon their regular work schedule.

Please note: I f additional funds become available to ______ in the near future, staff level lay-off numbers and/or the lay-off date could change.

What will happen to employees slated for lay-off?

Affected employees will continue to be employed and paid until the lay-off target date of February 26, 2000, unless that employee gives notice prior to that date.

When will I receive my official lay-off notice?

Based on a lay-off date of February 26, 2000, you should receive your lay-off notice by December 27, 1999. If we can provide the notice earlier than 60 days, we will (i.e. mid-December if possible).

2. EMPLOYEE ASSISTANCE PROGRAM (EAP)

Reference: EAP Brochure

The Employee Assistance Program is available to all employees and their family members. We have contacted our Employee Assistance Program, Magellan Behavioral Health, to make them aware of the situation at ______. The Program is separate from your medical benefits and there is no cost to you for seeking counseling or advice from them. The program is available 24 hours a day, seven days a week. You are encouraged to consider utilizing their services if you feel the need. Their phone number is **1-800----**.

As we move closer towards the lay-off date, EAP representatives can be scheduled to come on site to talk with employees.

Normally EAP services end on the last day of the month in which the employee was employed; however, we arranged to continue EAP benefits past the lay-off date. EAP services will continue to be available to laid off employees and their families through May 2000.

3. HEALTHCARE INSURANCE – Medical, Dental and Life

Reference: State Health Care Authority (HCA) Self-Pay Information State Health Care Authority (HCA) COBRA Information Washington Basic Health Plan Information

When will ______ health care benefits end for laid off employees?

For employees being laid off on February 26, 2000, benefits provided by ______ will end February 29, 2000 (last day of the month in which lay-off occurred).

When will ______ health care benefits end for employees who choose to leave prior to the lay-off date?

I f an employee chooses to leave ______ service prior to the lay-off date, their coverage would end on the last day of the month in which they separated.

Can employees continue State HCA health care insurance after they have been laid off?

Yes, employees may continue health, dental, and life insurance benefits through the Health Care Authority (HCA). Under a Reduction-In-Force (RIF) scenario, the employee may continue benefits on a self pay basis for a period of 29 months. Information on monthly premium amounts will be distributed/posted in work areas. Employees are eligible to self-pay any part of their insurance to include medical only, dental only, or life insurance, or any combination. To continue benefits, a Self-Pay Form needs to be completed and submitted to HCA within 31 days of your separation.

Note: An employee may not self-pay long-term disability (LTD). However, if the employee is called back to work, the employee can reinstate previous coverage by completing a new LTD form within 31 days of returning to work.

Can employees continue State HCA health care insurance if they leave before the lay-off date?

Yes. Employees may continue coverage under COBRA for a period of 18 months after separation. Dependent coverage may continue up to 36 months.

If I am laid off or leave prior to the lay-off date, can I go on my spouse's health care plan rather than continue coverage through the State HCA plan?

Be sure to check with your spouse regarding their health/dental plan regulations before you choose not to Self-Pay or elect COBRA coverage. You may wish to check on your spouse's coverage options now rather than wait until your separation or lay-off date. Some plans allow dependents to be added outside of an open enrollment period if they can prove proof of loss of other coverage. This usually just requires a letter from their employer stating that their benefits are ending on a specific date). Other plans may not allow for additions unless it is during their open enrollment period. Open enrollment periods vary from employer to employer. You will have 31 days from the date you lose _______ sponsored coverage to decide if you want to continue with self-pay through the State.

Are their other State plans available to me?

Yes. If you no longer have ______ health care coverage, you may qualify for the Washington Basic Health Plan. Basic Health is a state-sponsored health

_____ Layoff/Employment Benefit Information Prepared By: Human Resources

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insurance program for any Washington resident who meets income guidelines, is not eligible for Medicare, and is not institutionalized at the time of enrollment. A major goal of Basic Health is to offer access to low-cost health care for residents of Washington State. Currently, more than 220,000 residents have health care coverage through Basic Health programs.

Basic Health provides members with an affordable basic package of health benefits through contracts with 10 private health plans. Members pay a monthly premium based on family size, income, age, and the health plan they choose. If you meet income guidelines, you qualify for a reduced premium; if you don't, you pay the full premium. We have requested brochures on this plan and will distribute in work areas once we receive them. You can also call the Basic Health Plan at 1-800-826-2444.

4. UNEMPLOYMENT INSURANCE

Reference: Washington State Employment Security Department, Unemployment Claims Kit & Job Search Guide

What is unemployment insurance?

Unemployment insurance is for people who are unemployed through no fault of their own. It is for people who are able to work if they could find a job. Unemployment benefits are not based on need. They are meant to partially replace your regular earnings, to help you meet expenses until you find another job. In Washington, employers pay all the costs of the Unemployment Insurance Program through payroll taxes. Workers do not pay any of the costs.

If I am laid off from my job, will I be eligible for unemployment benefits?

You are eligible for benefits if all of these are true for you:

- Fully or partially unemployed
- Unemployed through no fault of your own
- Able for work, available for work, and actively seeking work
- Worked at least 680 hours in your Base Year in a job covered by the Unemployment Insurance program
- You have no excess earnings or other income that would disqualify you.

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Where can I obtain information about my unemployment benefits and the requirements for claiming unemployment?

For your review, several copies of the Washington State Employment Security Department booklet entitled" Unemployment Claims Kit and Job Search Guide" will be in your work areas next week. Copies will also available to look at from Human Resources. Once your claim has been submitted, you will also receive a copy of this booklet in the mail.

The Employment Security Department has a home page that contains a section entitled "Frequently Asked Questions about Unemployment Insurance." Check it out at <u>http://www.wa.gov/esd</u>.

What will my unemployment benefits be?

Currently unemployment benefits are set at a minimum of \$94 per week and a maximum of \$441 per week for a 30-week period. Basically benefit amounts are calculated based on the employee's annual salary (add your 2 highest quarters, divide by 2, multiply by 4). The following is an estimate of weekly benefit amounts.

Annual Gross Salary	Weekly Benefit Amount
0-\$9499.99	\$ 94.00
\$15,000	\$150.00
\$20,000	\$200.00
\$25,000	\$250.00
\$30,000	\$300.00
\$35,000	\$350.00
\$40,000	\$400.00
\$44,100	\$441.00

A copy of the Employment Security Department's Chart of Weekly Benefit Amounts and Duration will be available in work areas next week. More detailed information on the weekly benefit amount is contained in the Employment Security booklet.

I heard that public employees are entitled to two extensions after their initial 30-week period. Is this true?

No, public employees do not receive any special benefits. If extensions were granted, they would be granted to everyone collecting unemployment insurance benefits (provided they were eligible to receive an extension). However, extensions are rare and are only approved in periods of extremely high unemployment. The unemployment rate is very low at this time.

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When can I file my claim?

You can file your claim once you have been laid off. However, Human Resources is working with the State to see if we can do most of your paperwork for you and file your claim from If this is an option for us, we may be able to file your claim prior to the official lay-off date. We will not know if we can do this until we get closer to the actual lay-off date.

If I want to file my own claim, how do I do so?

You can file for unemployment insurance benefits by telephone. You can file for benefits once you have been laid off. The Unemployment Claims TeleCenter for our area is 1-800----.

When will I receive my first unemployment benefit check?

The first week you are eligible is called your waiting week. You will not be paid for this week. However, you must file a claim for this week before any benefits for future weeks can be paid. Your first benefit check will be mailed the week after you file your first claim and continue as long as you call the Weekly Claims Line every week and do what's required to search for a job.

Do I need to actively search and be able and willing to work while I am collecting unemployment benefits?

To receive unemployment, you must register weekly, be looking for work, and be able and willing to work. You will need to make at least three (3) contacts per week unless the Employment Security Department has specifically instructed you to do otherwise. As of this writing, and based on face-to-face discussions with staff from the Employment Security Commissioner's Office, it is our understanding that all employees

laid off from ______ will have to make a 3 contact per week job search.

I heard my Union is a "full referral union" and that I am not required to make an active search for work. Is this true?

We have talked with the Employment Security Commissioner's Office regarding this issue. Based on the information they gave us, you do have to actively search for work and make at least 3 job search contacts per week to be eligible for unemployment benefits.

What about suitable work, taking a job that pays less, claims reporting, and paperwork processing, etc. Where do I get information on these topics?

Information is contained in detail in the Washington State Employment Security Department booklet entitled" Unemployment Claims Kit and Job Search Guide". Booklets will be available in your work areas next week.

Will representatives from the Employment Security Department come on site to talk with us?

Yes. We have arranged for staff to come on-site to talk with employees. Date/times of meetings will be posted in the near future.

Are unemployment benefits taxable income?

Yes. You are not required to have Employment Security withhold taxes from your benefit check; however, you may sign up for this service (Voluntary Tax Withholding Form). If you sign up, they will withhold 15 percent of your weekly benefits for income tax purposes. If this option results in an overpayment of taxes and you qualify for a refund, the Internal Revenue Service will give you a refund when you file your tax return for the year 2000.

If I leave	employment prior	to my	actual	lay-off	date,
will I be considered laid off from _		?			

No. If you voluntarily leave prior to the actual lay-off date you will have voluntarily quit your job. You may eventually be entitled to unemployment benefits, however, it depends on your circumstance. Refer to the Employment Security booklet to determine if, and when, you would be eligible for unemployment benefits.

What if I am eligible for retirement but based on my seniority I'm not scheduled to be laid off. Can I volunteer for lay-off and be eligible for unemployment?

This answer will be answered in the next issue.

I have been told that my position is being combined with another position and that I need to compete for the new position. Instead of competing for the position, can I be laid off on the lay-off date and be eligible for unemployment benefits?

This question will be answered in the next issue.

My position is currently half-time. I am being told that my position will become full-time. Instead of taking the full-time position, can I be laid off on the lay-off date and be eligible for unemployment benefits?

This question will be answered in the next issue.

Will ______ challenge my unemployment claim?

No, we will not challenge unemployment claims filed by employees who are laid off.

5. STATE RETIREMENT SYSTEMS (PERS)

Reference:Washington State Public Employees' Retirement System, PERSPlan 1 Brochure and PERS Plan 2 Brochure

Can I withdraw the monies I have contributed to PERS?

Yes, your PERS monies are available to you when you separate from employment. You are allowed to withdraw only the amount you contributed, plus any interest the funds

may have earned. You are not eligible to receive the contributions ______ has made.

Generally, PERS contributions have been pre-taxed; however, any interest earned on the funds would be considered income in the year they are received and would be subject to federal income tax. If you withdraw your PERS contributions, you lose the ________ service credit you have through the State Retirement System and your right to apply for a pension based on your _______ service years. Based on the potential for a recall of your position, you may wish to leave your funds in the System so that you have your full service credit available to you.

Can I retire from ______ service, under PERS, rather than being laid off?

Yes, if you meet certain PERS retirement eligibility criteria. A more detailed explanation is contained in the PERS brochure. Brochures will be available in your work areas next week. Basic criteria for is as follows:

PERS Plan 1: *

Any age with 30 years PERS employment service credit *

Age 60 or older with 5 or more years service.

Age 55 or older with 25 or more years service.

* Some military service years may be applied to service credit (up to 5 years).

PERS Plan 2: *

Age 65 or older, if you have at least 5 service credit years.

Age 55 or older if you have at least 20 years service - benefit will be actuarially reduced if you are under age 65.

* Some military service years may be applied to service credit (up to 5 years).

If you have at least 20 service credit years, you may retire at or after age 55. Your benefit is actuarially reduced to reflect the fact that you are likely to be receiving your benefits over a longer period of time. Reductions are prorated according o how long before age 65 your benefits begin. The table below shows the approximate effect of the reductions. These percentages are updated periodically to reflect new statistics about average life expectancy, service and compensation. Your benefit is determined by the percentage in effect at the time your benefits begin.

	Percentage of Benefit	
Age at Retirement	Received At Age 65	
65	100%	
64	89%	
63	89%	
62	72%	
61	64%	
60	58%	
59	52%	
58	47%	
57	43%	
56	39%	
55	35%	

What is my service retirement benefit?

Your service retirement benefit depends on the Plan you are in and on your average final compensation and your service credit years when you retire.

For PERS 1: Your monthly benefit is calculated using the following formula:

2 percent X service credit years X average final compensation divided by 12 months

Average final compensation (AFC) is your average annual compensation earnable for your 24 consecutive highest-paid months. If you cash out annual leave upon separation from employment, you may be eligible to use all or part of the cash out value in your AFC calculation. Your benefit can be no higher than 60 percent of your average final compensation.

For PERS 2: Your monthly benefit is calculated using the following formula:

2 percent X service credit years X average final compensation = monthly benefit

Average final compensation (AFC) is the monthly average of your 60 consecutive highestpaid service credit months. Not included are payments for any type of severance pay, such as lump-sum payments for deferred sick leave, vacation or annual leave.

I heard there is an "early out" or "voluntary separation" provision for ______ employees, which allows me to retire from ______ earlier than normal. Is this true?

No. ______ employees do not have this benefit.

How do I withdraw my funds?

To withdraw funds, complete a Withdrawal/Refund Form and send it to the State Retirement System. You may do this at the time of your separation from _______ or at anytime after you have separated. Generally, payment is made to you by PERS 30-60 days from the receipt of your withdrawal form. However, we are working with the State to facilitate a faster process for withdrawal form processing, final paycheck/separation reporting, and payment of funds.

NOTE: You are not eligible to receive a withdrawal if you resume employment with a covered employer before payment is made.

If I withdraw my funds but then am recalled back to work, can I restore my previous service credit?

Yes. To restore withdrawn service credit, you must repay the total amount withdrawn, plus interest, within 5 calendar years of returning to service, or before you retire, whichever comes first. The interest rate is 7 percent annually compounded monthly. The cost for purchasing service credit after the 5 year deadline is considerably more expensive.

What if I am in Plan 2 and don't even have my 5 years of service credit in yet (I am not vested). Can I buy service credit?

No, you are not eligible to buy service credit.

If I am not vested in the PERS Plan, can I leave my monies in the System?

Yes, you can still leave your monies in the System and your funds will earn 5 ½ percent compounded interest. Or you can also roll your funds into another investment plan that earns more interest. Or you may withdraw your funds.

Will PERS staff come on site to answer our questions?

Yes, we have talked with the Retirement System. They are open to coming on site to answer employee questions.

6. DEFERRED COMPENSATION PLANS - 401k & 457

Can I keep my monies in my plan?

Yes, you can keep your funds in your plan. You may have roll over options available to you with the 401k plan.

Can I withdraw my 401(k) or 457 monies?

Yes, upon separation of employment you may withdraw your funds from both plans. Any funds withdrawn would be considered income in the year the funds are received and would be subject to federal income tax. A ten percent (10%) penalty may apply to 401(k) withdrawals if the employee is under age 59 1/2. There is no penalty for withdrawal of 457 funds. Withdrawal forms are available from the HR Department. You may elect to withdraw your funds at the time of your separation or any time thereafter.

7. SICK LEAVE

Will I be paid for all of my accrued sick leave when I am laid off?

ATU employees and non-represented staff will be paid for their accrued sick leave hours based on the Sick Leave Cash Out language in their respective agreements (ATU Contract, Personnel Policy). I AM employees do not have the Sick Leave Cash Out benefit. Basically, an employee is eligible to cash out a portion of their unused sick leave provided they have at least 5 years of employment with

_____ Payment will be included in your final paycheck. Cash out rates are:

Hours of Accrued Sick Leave 0 to 400 Cash Out Rate 1 to 5 for hours 1 to 400

401 to 600	1 to 4 for hours 1 to 600
601 to 800	1 to 3 for hours 1 to 800

If I cash out my accrued sick leave at my lay-off, can I repurchase the hours if I am recalled to my position?

Yes, you can repurchase all of the accrued sick leave you had available at your lay-off, provided you pay back the money you received for the cashed out hours. You cannot buy back just a portion of your sick leave hours. You would need to buy back all of the hours you cashed out within the first sixty (60) days of your reemployment.

If I have more than 5 years of service with _____, can I leave my accrued sick leave hours on the books in case I get recalled?

We are exploring this option to determine if we can facilitate keeping sick leave balances on our records. An answer will follow in a future issue.

What if I don't have 5 years of service? What happens to my sick leave?

Without 5 years of service credit with ______, you are not eligible to cash out any portion of your accrued sick leave hours. However, if you are recalled to your position within your recall period, your accrued sick leave hours at time of layoff will be credited back to your records.

8. VACATION, FLOATERS AND COMP-TIME

Will I be paid for all of my accrued vacation leave, floating holiday leave, and comp-time when I am laid off?

Yes, you will be paid for all available and accrued vacation leave, floating holiday leave, and com-time hours remaining on your record when you separate. For ATU employees, floating holidays will be cashed out at the rate of 8 hours per day. Cashed out leave payment will be included in your final paycheck.

If I am recalled to work, can I buy back my vacation leave hours?

Yes, you can buy back all or a portion of the vacation leave hours that you were paid for when you were laid off. Any buy back of leave hours must be in hourly increments. The buy back rate would be the same as your cash out rate

If I am recalled to work, when would I be required to buy back my vacation leave hours?

You would be required to do so within sixty (60) days of returning to work.

Can I buy back comp-time hours or floating holiday hours?

No, you will not be able to buy back comp-time hours or floating holiday leave hours.

If I am recalled, what vacation accrual rate will I have when I return to work?

You will receive the same vacation accrual rate that you had when you were laid off. Your vacation accrual rate anniversary date will be adjusted by the length of time you were on lay-off.

9. AIR TOUCH CELLULAR TELEPHONE

Can I continue my ______ telephone account after I am laid off?

Unfortunately, because the Air Touch Cellular telephone benefit is under _______'s name, it will not be available to laid off employees once they have separated from employment. Accounts must be paid in full prior to the employee obtaining his/her final paycheck. You may, however, contact Air Touch to continue service in your own name. Their number in Olympia is 352-2184.

10. FINAL PAYCHECK

When will I receive my final paycheck?

You will receive your final paycheck on the payday following your separation date. If the lay-off date is February 26, 2000, your paycheck would be issued on March 3, 2000.

11. SEVERANCE PACKAGE

Will there be any severance pay?

No, as a public agency, ______ has determined that offering a severance package to affected employees would not be in the best interest of the Agency.

12. RECALL LIST

Am I eligible for recall if I leave ______ employment before my actual lay-off date (before lay-off notice is received, after lay-off notice is received)? What about if I want to volunteer for lay-off?

The answer to these questions will be in the next issue.

How long will I be on the lay-off recall list for my position?

For <u>all</u> employees laid off, you will remain on the recall list for your specific position for a period of 18 months from the date of your separation. If your position becomes open during your recall period, you will be recalled to your position and notified by mail. Recall notification process is explained in respective agreements (ATU contact, IAM contract, Personnel Policy). It is <u>extremely important</u> to keep the HR Department informed of your mailing address during your recall period.

Will I be notified if a different position becomes available during the 18 month period?

Yes, all laid-off employees will be notified of position vacancies (excludes positions that have employee recall lists). If you meet the qualifications for the position, HR staff will be available to assist you in the application process if you so desire. Again, it is <u>extremely important</u> to keep the HR informed of your mailing address during your recall period.

13. JOB SEARCH

Will I receive any help on how to apply for jobs, where to apply, resume/application writing, interview tips, etc.?

Yes to all of the above. HR staff is preparing a packet of information on the above.

In addition, we have contacted outside agencies to assist you in this endeavor. On-site meetings with these agencies will begin in December. More information on Job Search will be coming out in the next issue.

Will I be able to take time off from ______ to attend to my job search needs?

Yes, your Department Director/Supervisor will work with you individually in your search for a new job. He/she can allow some flexibility in your work schedule, so you can attend job interviews. We will try to be as flexible as we can in granting time off; however, meeting our on-going service demands will take priority.

14. REFERENCES

Will I receive a letter or introduction and/or reference from

_____?

We will provide a personalized letter of introduction to all laid off employees that communicates the circumstances of our reduction decision. You may use this letter of introduction/reference if you so desire.

Should I give my director's/supervisor' name, and phone number to potential employers as the contact name, or for a job reference?

No. If an employer asks you for a person they can contact from your last job, give them the ______ main phone number ------, and have them ask for Human Resources. The Human Resource staff are the only authorized staff to respond to employee reference requests from outside sources.

Keep in mind, that we will not give out certain information without a signed release from you. The standard information that we give out, without a signed release, is: date of hire, date of separation, job title, last wage rate, and full-time or part-time status. To expedite reference checks and to allow us to provide more information about you to a potential employer, you may sign a release (available from HR) prior to your lay-off date and HR will maintain it on file.

What about a "personal" reference? Can I give my co-worker's name as a personal reference?

First check with the co-worker to ensure this would be Ok with them. Keep in mind, the co-worker can only give out information about you from a personal level – the information cannot be job-related. For example, the co-worker could not say things about your work habits, your job performance, or your attitude on the job. Job related information only comes from HR staff.

15. MISCELLANEOUS QUESTIONS

Will I be eligible to use my transit pass when I am laid off? How about my dependents?

No, if we allowed you to continue to use your transit pass while you were on lay-off, it would be considered a gift of public monies. Your dependents cannot use their passes either. Employee and dependent passes need to be turned in at separation.

What happens if my Commercial Driver's License (CDL) is up for renewal during my lay-off period?

You will need to decide whether to renew your license or not during your lay-off period. To renew your license, you need to have a current (within 2 years of your license renewal date) DOT physical exam.

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If your license is going to expire in the near future, you may wish to schedule your DOT exam while you are still covered under ______ benefits. You may schedule your exam with your personal physician and pay the cost of the exam, if there is a cost. Or you may schedule your exam with Human Resources, and ______ will pay for your exam. At present,

______ exams are conducted by Capital Medical Center. Your ______ exam would need to be completed before the lay-off date.

Note: If you are recalled to your position and it requires a CDL with endorsement, you must have the ability to acquire the proper license within your retraining period.

?

16. HOW DO I STAY IN CONTACT WITH _____

You are encouraged to check in with __________staff from time-totime. You may do this by telephone or in-person, whichever works best for you. A recall of your position (depending on our operational needs) may occur during your recall period. We want you to remain connected with us. During your employment at _______, you no doubt have also made many friends, and they too would want to hear from you or see you occasionally. If you want to ask questions or get up-dates on _______, feel free to call. Your calls and visits will be welcomed and appreciated.

17. MISINFORMATION

In recent weeks, some employees have heard information about their benefits or the lay-off from a variety of sources (internal co-workers and external agencies/sources). Sometimes, this information has been inaccurate. Keep in mind, a question can be asked in one way and will produce a response; however, the same question can be asked in a slightly different way and produce a different response. If you are unsure about information you have heard, check it out with your Department Director or the Human Resource staff. You should also keep this document and all future issues readily available for reference.

18. ADDITIONAL QUESTIONS

If I have more questions, who in the Agency can I see to get help?

Your Department Director is available to you. Feel free to contact him or her.

In addition, ______, ____, ____, ____, ____, ____, and ______, _____, in the Human Resources Department are available to answer employment and benefit questions. If we do not know the answer immediately, we will research your question and respond back to you, or include your question/answer in a future communication issue. If you want to send us your questions (e-mail, voice-mail, hand-written, or typed), <u>please do so</u>. Although we have tried to address many issues, we know there are many, many more questions still to come. We want to provide as much information as we can, we need your questions to do so. No question is insignificant.

We are continuing to research lay-off issues. Further updates, to include additional employee questions/answers, will be distributed as information becomes available to us.

Information on any on-site meetings with outside agencies will be posted as far in advance as possible (EAP, Employment Security, PERS, Job Development and Training, 401k/457).

<u>HR Contact Person</u>	<u>Voice-Mail</u>	<u>E-Mail</u>	

The information contained in this document is based on the research we have completed to-date, and/or on the decisions made by the Senior Management Team. Some information was obtained from outside sources. Changes may be necessary based on new or additional information.

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