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State retirement offer sparks interest

By DANIEL BARLOW Vermont Press Bureau

MONTPELIER – About 1,000 state employees are eligible for early retirement under a new program aimed at reducing the state workforce without laying people off.

The Vermont State Treasurer's Office late last week mailed out notices to state employees whom they believe are eligible for the early retirement – workers who either have more than 30 years with state government or are age 62 or higher with five years of experience.

State workers who qualify and agree to retire by Sept. 1 will receive cash bonuses ranging from \$750-\$1,000 for each year they worked for state government, and will continue to receive health benefits at their current premium level. The total payout expense per employee is capped at \$15,000.

The program was included in a spending bill passed by the Vermont Legislature and signed into law by Gov. James Douglas. It was one of few cost-cutting measures the two sides agreed on during a difficult budget year.

State Treasurer Jeb Spaulding said his office's financial experts have crunched the numbers and he believes that the program should break even in the first year and begin providing savings for the state in years two and three.

"There is huge potential for savings here," Spaulding said. "With this we can reduce the size of the state workforce without the negative economic consequences of eliminating positions."

The retirement incentive program is aimed at state workers with specific criteria: They need to be employed by the state as of June 1, participate in the state worker retirement plans and have 30 years of experience or are 62 years of age with five years of experience.

Employees with between five to 15 years of service to the state would get \$750 in retirement incentives for each of those years; workers with 15 or more years will get \$1,000 per year, up \$15,000. These workers will also continue to receive health insurance through the state for a number of years, including having the state pay 80 percent of those costs, even if a future contract negotiation changes the equation.

The checks will be paid out over a two-year period, with the first coming 90 days after a worker's retirement and the second 30 days after the one-year anniversary of that retirement. The deadline to apply is July 31 and all participating workers would stop working by Sept. 1.

"We're expecting there to be a lot of interest in these incentives," said Doug Gibson, the spokesperson for the Vermont State Employees Association, the union that represents about 8,000 state workers.

State estimates – which include a number of variables, including the type of workers who might retire and if those jobs would need to be replaced – shows that the state of Vermont could save \$3 million a year by the third year of the program.

"Of course, if someone like the Chief Justice were to retire under this program, that job would still need to be filled," Spaulding explained.

Since sending out the letters to eligible state employees on Friday, Spaulding's office has been slammed with calls and inquiries from interested state workers. He said Monday that several people have hand-delivered their early retirement incentive applications.

It's hard to tell right now what type of state worker this program appeals to. Spaulding said about 100 of the eligible employees have more than 30 years of history with the state but are also under the age of 62. There are also a significant number of employees with more than 40 years of experience in state government, he said, and those workers might resist early retirement because "working for the state is their life," he said.

Spaulding said his list of 1,000 eligible state workers may be incomplete and he urges anyone who believes they may be eligible and want to retire to contact his office.

"We're seeing a tremendous amount of interest," Spaulding said, adding that the final decision as to which 300 workers are picked may come from a lottery system. "If you think you are eligible, let us know."

Contact Daniel Barlow at Daniel.Barlow@timesargus.com.