



STATE OF NEW YORK  
**EXECUTIVE DEPARTMENT**  
DIVISION OF THE BUDGET  
STATE CAPITOL  
ALBANY, NEW YORK 12224

David A. Paterson  
GOVERNOR

Robert L. Megna  
Director of the Budget

<b>BUDGET BULLETIN</b>	<b>D-1125 -- REVISED</b>	<b>July 30, 2009</b>
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**TO: ALL DEPARTMENT AND AGENCY HEADS**

**FROM: Robert L. Megna** *Robert L. Megna*

**SUBJECT: Voluntary Severance Program**

Pursuant to agreements between the State and the Civil Service Employees Association (CSEA) and the Public Employees Federation (PEF), the State will implement a Voluntary Severance Program designed to achieve recurring savings to the Financial Plan. This Program will also be made available to Management and Confidential (M/C) employees. This Program will offer a one-time \$20,000 incentive (severance) in one or two installments. This Program will be available to employees in non-federally funded positions to achieve the cash savings proposed in the 2009-10 agency Workforce Reduction Plans (WRPs) submitted by agencies previously. All positions vacated through this offer will not be refilled. The Division of the Budget (DOB) and the Governor's Office of Employee Relations (GOER) will oversee the implementation of this Program.

This Bulletin provides guidelines for implementation of the limited Voluntary Severance Program. As a basis for implementation planning, agencies should contact their budget examiner to verify their 2009-10 and 2010-11 cash ceilings resulting from the Enacted Budget and WRPs.

### **Policy Guidelines and Employee Eligibility**

Severance payments will only be available to CSEA, PEF and M/C employees and participation will be limited to Executive Branch agencies. Moreover, severance payments will be offered to employees in a non-federally funded position with a minimum of ten years of full-time annual-salaried State service or who are otherwise retirement eligible. The 10-year requirement is provided to agencies as a non-binding guideline. There may be situations where agency management can offer the severance to full-time annual-salaried

employees with less than ten years of service as part of their submitted plan. All accompanying positions will be left vacant and earmarked.

To be eligible, an employee must have been in active, full-time annual-salaried service in a non-federally funded position on July 1, 2009 and at the time they elect to participate in the Program. Hourly and non-annual salaried employees are not eligible to participate in the Voluntary Severance Program.

All CSEA and PEF employees to whom the severance is offered and accepted must sign an Irrevocable Letter of Voluntary Resignation, in the form provided in Attachment A, as part of their acceptance. For M/C employees to participate in the severance, they must sign an Irrevocable Letter of Resignation in the form provided in Attachment B. Employees must officially resign and be off the State payroll no later than November 11, 2009. Furthermore, payment of the \$20,000 severance will be subject to final confirmation by the agency that such employee has in fact separated from the State's employment. If such employee is eligible for retirement, and chooses to retire, confirmation of retirement should be provided from the New York State and Local Retirement System (NYSLRS) or any other applicable pension system. The severance payment will not be used in the calculation of any retirement benefit calculated by NYSLRS, or other applicable retirement system, and shall be subject to all usual and customary taxes and withholdings. All employees who participate in this program will be restricted from re-hire by Executive Branch agencies of the State, including public authorities as defined by Section 2(1) of Chapter 766 of the Laws of New York, 2005, for a period of five years from the effective date of resignation. Any employee who participated in the Voluntary Severance Program who is re-hired by the State before the expiration of the restricted period will be required to repay the severance payment in full.

### **Implementation Process**

Agencies should contact their budget examiner to obtain their cash savings targets which will be the basis for development of the savings plans described below.

Agencies are required to submit two plans:

- (1) Preliminary Cash Savings Plan -- Funded vacant positions and attritions identified in agencies' WRP's should be applied first toward meeting cash savings targets. Thereafter, agencies should identify those titles which would be potentially eligible for severances, in the format provided in Attachment 1. Agencies whose workforce reduction plans did not require layoffs will be able to offer the Voluntary Severance Program incentive, but only to the extent it achieves permanent savings in excess of their WRP savings target. The Preliminary Cash Savings Plan should be submitted to your budget

examiner no later than **August 5, 2009** for review and approval. After DOB approval of this Preliminary Plan, agencies should canvass employees serving in relevant job titles to determine participation interest. Attachment 2 provides a standardized format that agencies may use in canvassing their employees.

- (2) Severance Plan -- After employees have been surveyed for interest in participation, agencies must submit a Severance Plan to the Division of the Budget and GOER no later than **August 21, 2009**. This Plan should provide the information outlined in Attachment 3. Selection of eligible employees must be made on the basis of whether the employee meets the aforementioned eligibility criteria. In the event that the level of interest exceeds the amount of severances that can be prudently offered, the selection should be made on the basis of seniority within job titles. DOB will approve Severance Plans no later than **August 28, 2009** and forward such approved Plans to agencies and OSC for record keeping and implementation purposes. Participating employees who elect to retire should contact the applicable retirement system for a projection of their retirement benefits.

**Strict compliance with these deadlines is necessary to ensure adequate time for final approval and notification to the OSC Retirement and Payroll Systems.**

### **Questions/Correspondence**

Questions on the Severance Program should be directed to your budget examiner. All correspondence, whether written or electronic, between agencies and the Division of the Budget and GOER required by this bulletin should be addressed concurrently to:

Mr. Robert E. Brondi, Chief Budget Examiner  
Division of the Budget  
State Capitol, Room 117  
Albany, NY 12224  
Bob.Brondi@budget.state.ny.us

and

Mr. John V. Currier, Deputy Director  
Governor's Office of Employee Relations  
Agency Building 2, Suite 1201  
Albany, NY 12223-1250  
jcurrier@goer.state.ny.us

cc:

[Chief Budget Examiner of DOB]  
Division of the Budget  
State Capitol, Room \_\_\_\_\_  
Albany, NY 12224  
Email address

Attachments

**IRREVOCABLE LETTER OF VOLUNTARY RESIGNATION**

Pursuant to the terms and conditions of the Voluntary Severance Program offered by the State of New York pursuant to the Memorandum of Understanding between the State and {INSERT UNION} dated {INSERT DATE}, please accept this as an Irrevocable Letter of Voluntary Resignation, effective \_\_\_\_\_, 2009. **{EMPLOYEE MUST INSERT DATE BETWEEN July 24, 2009 and November 11, 2009.}** If I am retiring, I understand that my voluntary resignation is irrevocable unless notice of revocation is received by \_\_\_\_\_ {AGENCY TO INSERT NAME} at {INSERT AGENCY ADDRESS} and, if applicable, a "Withdrawal of Application for Service Retirement" (Form RS6354) is timely filed with the New York State and Local Retirement System (NYSLRS) prior to the effective date of retirement or, if another retirement system is applicable, a withdrawal of application for service retirement is timely filed with such retirement system on a form so designated by such system.

I understand and agree that my employment with the State must actually end in order to receive the Voluntary Severance Program payment. I understand that such Voluntary Severance Program payment shall be subject to usual and customary taxes and withholdings for such payment. I further understand that such Voluntary Severance Program payment shall not be used in the calculation of any retirement benefit calculated by NYSLRS, or other applicable retirement system. I also understand that as a condition of accepting the Voluntary Severance Program payment, I agree that I cannot and will not be re-employed by the State of New York for a period of five years after the effective date of my voluntary resignation. I understand that if I am re-employed by the State at any time before five years after my voluntary resignation date has elapsed, I will be required to refund in full the Voluntary Severance Program payment. I understand that if I do not remit a refund in full to the State that the State can and will recover the Voluntary Severance Program payment by set-off against salary received in my re-employed position or by other lawful means at its disposal. I understand and accept that for purposes of the Voluntary Severance Program re-employment with the State means any employment by the Executive Branch agencies including public authorities as defined by section 2(1) of Chapter 766 of the Laws of New York, 2005.

Further, I understand that if I have a New York State Deferred Compensation Plan account, no portion of the Voluntary Severance Program payment shall be contributed to my account. I understand that, if applicable, in order for me to apply for retirement and to begin receiving such benefits, I will file a retirement application with the NYSLRS between 30 and 90 days before the effective date of my retirement, pursuant to the Retirement and Social Security Law. If NYSLRS is not applicable to me, I understand that I must comply with all requirements of the retirement system applicable to me to apply for retirement and begin receiving retirement benefits.

I hereby certify that, to the best of my knowledge:

I am eligible to receive retirement benefits and elect to retire.

I understand that I must file a retirement application with the appropriate retirement system at least 30 days prior to my date of retirement and no later than October 12, 2009 and will contact that retirement system for a projection of retirement benefits available to me.

I am eligible to receive retirement benefits but elect to resign and not apply for retirement benefits at this time.

I am not eligible to receive retirement benefits and elect to resign.

I would like to receive payment for participating in the Voluntary Severance Program as follows:

I would like the Voluntary Severance Program payment to be paid in one \$20,000 lump sum payment, less usual and customary taxes and withholdings, as soon as practicable after my actual resignation date.

I would like the Voluntary Severance Program payment to be paid in two \$10,000 lump sum payments, less usual and customary taxes and withholdings. The first payment shall be paid as soon as practicable after my actual resignation date. The second payment shall be paid as soon as practicable after April 1, 2010.

By signing below, I indicate my agreement to the terms of the Voluntary Severance Program payment.

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**IRREVOCABLE LETTER OF VOLUNTARY RESIGNATION – M/C EMPLOYEE**

Pursuant to the terms and conditions of the Voluntary Severance Program offered by the State of New York, please accept this as an Irrevocable Letter of Voluntary Resignation, effective \_\_\_\_\_, 2009. **{EMPLOYEE MUST INSERT DATE BETWEEN July 24, 2009 and November 11, 2009.}** If I am retiring, I understand that my voluntary resignation is irrevocable unless notice of revocation is received by \_\_\_\_\_ {AGENCY TO INSERT NAME} at {INSERT AGENCY ADDRESS} and, if applicable, a “Withdrawal of Application for Service Retirement” (Form RS6354) is timely filed with the New York State and Local Retirement System (NYSLRS) prior to the effective date of retirement or, if another retirement system is applicable, a withdrawal of application for service retirement is timely filed with such retirement system on a form so designated by such system.

I understand and agree that my employment with the State must actually end in order to receive the Voluntary Severance Program payment. I understand that such Voluntary Severance Program payment shall be subject to usual and customary taxes and withholdings for such payment. I further understand that such Voluntary Severance Program payment shall not be used in the calculation of any retirement benefit calculated by NYSLRS, or other applicable retirement system. I also understand that as a condition of accepting the Voluntary Severance Program payment, I agree that I cannot and will not be re-employed by the State of New York for a period of five years after the effective date of my voluntary resignation. I understand that if I am re-employed by the State at any time before five years after my voluntary resignation date has elapsed, I will be required to refund in full the Voluntary Severance Program payment. I understand that if I do not remit a refund in full to the State that the State can and will recover the Voluntary Severance Program payment by set-off against salary received in my re-employed position or by other lawful means at its disposal. I understand and accept that for purposes of the Voluntary Severance Program re-employment with the State means any employment by the Executive Branch agencies including public authorities as defined by section 2(1) of Chapter 766 of the Laws of New York, 2005.

Further, I understand that if I have a New York State Deferred Compensation Plan account, no portion of the Voluntary Severance Program payment shall be contributed to my account. I understand that, if applicable, in order for me to apply for retirement and to begin receiving such benefits, I will file a retirement application with the NYSLRS between 30 and 90 days before the effective date of my retirement, pursuant to the Retirement and Social Security Law. If NYSLRS is not applicable to me, I understand that I must comply with all requirements of the retirement system applicable to me to apply for retirement and begin receiving retirement benefits.

I hereby certify that, to the best of my knowledge:

\_\_\_ I am eligible to receive retirement benefits and elect to retire.

I understand that I must file a retirement application with the appropriate retirement system at least 30 days prior to my date of retirement and no later than October 12, 2009 and will contact that retirement system for a projection of retirement benefits available to me.

I am eligible to receive retirement benefits but elect to resign and not apply for retirement benefits at this time.

I am not eligible to receive retirement benefits and elect to resign.

I would like to receive payment for participating in the Voluntary Severance Program as follows:

I would like the Voluntary Severance Program payment to be paid in one \$20,000 lump sum payment, less usual and customary taxes and withholdings, as soon as practicable after my actual resignation date.

I would like the Voluntary Severance Program payment to be paid in two \$10,000 lump sum payments, less usual and customary taxes and withholdings. The first payment shall be paid as soon as practicable after my actual resignation date. The second payment shall be paid as soon as practicable after April 1, 2010.

By signing below, I indicate my agreement to the terms of the Voluntary Severance Program payment.

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Preliminary Cash Savings Plan

Agency Name: \_\_\_\_\_  
 Agency Code: \_\_\_\_\_  
 Agency Contact: \_\_\_\_\_  
 Date: \_\_\_\_\_

<u>Title Code</u>	<u>Title</u>	<u>Item Number</u>	<u>Bargaining Unit</u>	<u>Salary Grade/ NS eq</u>	<u>Location</u>	<u># of Targeted Positions</u>	<u>Effective Date</u>
12345678	Title A		05	18	Albany	5	10/01/09

Forward completed copies to:

John V. Currier, Deputy Director  
 Governor's Office of Employee Relations  
 Empire State Plaza, Agency Building 2, Suite 1201  
 Albany, NY 12223-1250

**and**  
 Robert E. Brondi, Chief Budget Examiner  
 Division of the Budget  
 State Capitol, Room 117  
 Albany, NY 12224

**cc:**  
 [Chief Budget Examiner, Agency Examination Unit]  
 Division of the Budget  
 State Capitol, Room \_\_\_\_  
 Albany, NY 12224

**2009-10 Voluntary Severance Program  
Employee Survey and Notification Form**

Name: \_\_\_\_\_

Title/SG: \_\_\_\_\_

Agency : \_\_\_\_\_

1. I hereby provide written notice of my interest to avail myself of the voluntary severance program provided by Budget Bulletin D – 1125.
2. I understand that my eligibility for the voluntary severance program will be determined in accordance with the provisions of this Budget Bulletin; that I will be eligible for the program only if my position, as described above, is an eligible title; and that if my position is in an eligible title and more employees apply for the voluntary severance program than the number of positions that can be left vacant, the severance program will be made available to employees in order of their seniority.
3. I understand that in addition to providing this written notice to my agency personnel office by \_\_\_\_\_, if I am eligible for the voluntary severance program and I want to receive the severance, I must submit an Irrevocable Letter of Voluntary Resignation by \_\_\_\_\_, with my resignation to be effective no later than November 11, 2009. (Dates to be filled in by the agency).
4. I understand that if I submit an Irrevocable Letter of Voluntary Resignation, I may withdraw such application at any time prior to \_\_\_\_\_ (date to be filled in by agency).
5. I understand that this notification is not binding, and that even if I have submitted such notification, I am neither required to resign from State service nor guaranteed participation in the voluntary severance program.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

**For Agency Use Only**

\_\_\_\_\_  
Employer Representative Signature

\_\_\_\_\_  
Date

