

CITY OF LAS VEGAS
ADMINISTRATIVE REGULATIONS



SUBJECT: Retirement Policy and Procedure

ADMINISTRATIVE NUMBER A11-202
REVISION:
SUPERCEDES: All
EFFECTIVE DATE: January 12, 2012
PAGE 1

APPROVED BY:

Timothy P. Dodge, City Manager

- I. **PURPOSE:** The purpose of this Administrative Regulation is to ensure that City employees and the City are prepared for an employee's retirement.
- II. **OBJECTIVE:** The primary objective is to facilitate a smooth transition for the retiring employee and the City.
- III. **ATTACHMENTS:**
 - a. Written policy for Retirement Policy and Procedure
 - b. Retirement Information Sheet

Administrative Regulation A11-202

ADMINISTRATIVE REGULATION ESTABLISHING A RETIREMENT PROCEDURE FOR ALL ELIGIBLE CITY EMPLOYEES.

THIS ADMINISTRATIVE REGULATION REPEALS AND REPLACES IN ITS ENTIRETY ANY AND ALL PREVIOUS ADMINISTRATIVE REGULATIONS REGARDING “RETIREMENT PROCEDURE.”

A. DEFINITIONS:

Contingency Fund: a budget line item designated to be appropriated accordingly and used for no other purpose than to pay for early retirement leave.

Eligibility Requirement: A condition for an employee to qualify for retirement under PERA under either Tier 1 or Tier 2. Those employees who fall under Law Enforcement or Fire are eligible to retire at any age with 20 or more years of service credit.

Those employees who became a PERA member prior to July 1, 2010 fall under Tier 1 and are :

Any age with 25 or more years of service credit; or
Age 60 or older with 20 or more years of service credit; or
Age 61 or older with 17 or more years of service credit; or
Age 62 or older with 14 or more years of service credit; or
Age 63 or older with 11 or more years of service credit; or
Age 64 or older with 8 or more years of service credit; or
Age 65 or older with 5 or more years of service credit.

Those employees who became a PERA member after July 1, 2010 fall under Tier 2 and are:

Any age with 30 or more years of service credit; or
Any age if the sum of the member's age plus years of service equals 80 or more; or
Age 67 with 5 or more years of service credit.

Employee Leave Bank: the amount of accumulated Vacation and Sick leave an employee has available to use.

Lump Sum Payout: Amount to be paid to the employee, if funds are available in the Contingency Fund. 2-6-11.3 Sick Leave G) Vacation leave upon retirement. An employee who has accumulated vacation leave at the time of their retirement shall have their leave paid out in a lump sum by the City upon availability of funds. This section applies retroactively to employees retiring after July 1, 2010 Sick Leave: Ordinance No. 06-19 2-6-11.3 eligible employee with 600 hours or less of sick leave on April 4, 2007 accrual shall be eligible for conversion of up to 600 hours to be used for early retirement. The conversion shall be at the rate of one (1) hour of sick leave for one (1) hours of early

retirement leave. Employees may choose to sell back up to 600 hours of accrued sick leave at retirement in lieu of conversion to early retirement leave at the rate of two (2) hours of sick leave for one (1) hours of pay.

Employees who had over 600 hours on April 4, 2007 are eligible for conversion of sick leave up to the amount of accrual documented on April 4, 2007 shall be at the rate of one (1) hour of sick leave to (1) hours of early retirement leave. Employees who had over 600 hours of sick leave on April 4, 2007 may choose to sell back accrued sick leave at retirement, in lieu of conversion to early retirement at the rate of two (2) hours of sick leave for one (1) hour of pay.

The sell back and buy back provision of this policy are subject to the availability of funds as budgeted for the year by the City Council.

PERA: – The Public Employees Retirement Association was established in 1947 for New Mexico’s Public Employees retirement benefits. Employees are eligible to receive these benefits when certain eligibility requirements are met by the member, regardless of the amount of contributions paid into the plan in the form of a monthly pension upon retirement.

PERA Membership: A mandatory condition of employment with state and affiliated public employers. Employees who are full-time regular status and part-time (those who work at least 20 hours) contribute to their PERA member contributions fund.

Request Form: A form from PERA for an active member who wishes to request an estimate of benefits (must be within 3 years of retirement); cost calculations for air-time, with drawn service, or military service.

Retirement Kit: Information provided by PERA for employees inquiring about retiring.

Retirement Plan: A plan with compiled information identifying the estimated cost of an employee retiring.

Retirement Information Sheet: A form to be completed by the employee and the Risk Management & Benefits Coordinator when a City employee informs the City of the intent to retire.

Separation Report: a form that must be completed by the Department Director, signed by the City Manager and given to the Human Resource Division once an employee’s employment has ended with the City.

Years of Service: Amount of years recognized by the retirement system for purposes of calculating a member’s retirement benefit.

B. General Statement:

Employees who are contemplating retirement should contact the benefits and claims division of PERA between six months and one year before their anticipated retirement date in order to

secure an estimate of benefits. The employee's Department Director and Human Resource Division should be notified of the intent to retire at this time in order to assist in the process and facilitate a smooth transition for the employee and the department. Those employees that wish to receive a lump sum payout shall give at least 6 (six) months notice advance notice of retirement prior to the budgeting process to ensure funds are allocated and available in the contingency fund.

C. Eligible Employee Identification:

- a. Annually, the Risk Management and Benefits Coordinator will generate a report to identify those City employees who are eligible within 3 (three) years. A complete list will be given to the City Manager and the Finance Department; also the Department Director will receive a list of any eligible employees within their respective departments. The Human Resource Division will make contact with those employees identified and provide a Retirement Information Sheet and Retirement Packet.

D. Employee Inquiry:

When an employee inquires about retirement with the Risk Management and Benefits Coordinator:

The employee will be informed that discussion of the employee's retirement will be documented on the Retirement Information Sheet and forwarded to the City Manager, the Human Resource Manager, and the Department Director.

Then,

- If the employee has not already been in contact with PERA then:
 - The employee will be provided a request form to inquire if they meet retirement eligibility requirements.
- If the employee has been in contact with PERA and has not received a letter:
 - The employee will be informed that a letter is necessary to proceed with the Retirement Plan.
- If an employee has been in contact with PERA and has a letter:
 - A copy of the letter will be made.
 - A Retirement Information Sheet will be started by Human Resources and forwarded to the Department Director, with final approval from the City Manager.

The Risk Management and Benefits Coordinator will inform the employee that a Retirement Plan will be developed and once approved by the City Manager; the employee will be contacted to discuss the approved plan.

E. Contact

- a. The Risk Management and Benefits Coordinator will notify the City Manager, Department Director, and Human Resource Manager of the employee's inquiry or intention to retire, and if the employee is requesting to use their leave or take a lump sum payout.

F. Retirement Plan

- a. The following will be completed by the Risk Management and Benefits Coordinator:

Identify all leave (Vacation, and Sick) the employee has in available from their leave bank.

If funds for the employee have been allocated for vacation will be verified (to be used only if a lump sum payout is being requested).

If there are no funds, then the Department Director will be notified.

Estimated Cost of the employees retirement, including benefits, and deductions.

If leave is being used:

Hours will be calculated into days the employee is eligible to use with any remaining hours to be converted as per Ordinance No. 06-19.

If a lump sum payout is being requested:

The number of sick leave hours to be converted at a ratio of 2 (two) sick hours to 1 (one) vacation hour will be identified as per Ordinance No. 06-19.

- b. The Department Director will be responsible for identifying a succession plan for the impending vacancy
- c. A letter requesting approval* will be prepared for the City Manager with the following information:
 - Employee Name, Title, and Department
 - Copy of the letter from PERA.
 - The date the employee is eligible to retire on.
 - Anticipated last day of employment with the City.
 - A schedule listing the dates early retirement will be taken using vacation and sick leave; or if a payout is being requested, then the amount of the payout, with any remaining sick leave to be converted.
 - If a lump sum payout is being requested by the employee a separation report, completed by the Department Director, will be attached for signature by the City Manager.

- d. Once the retirement plan has been approved by the City Manager, the Risk Management and Benefits Coordinator will make contact with the employee to schedule an appointment where a letter will be given to the employee advising them their retirement has been approved with copies going to the Department Director, Human Resource Manager, the City Manager and the Employee's personnel file. If leave is being taken, time sheets will be prepared and signed by the employee. If a lump sum payout has been approved, the employee will complete their portion of the Separation Report.
- e. The Risk Management and Benefits Coordinator will make contact with the Finance Department notifying the Payroll Specialist of the employees impending retirement, signed time sheets and or approval of lump sum payment with a copy of the Separation Report, signed by the City Manager.

G. Recognition:

Retired employees will be recognized, and given plaques acknowledging their loyal service to the City of Las Vegas.

* as stated in the Personnel Ordinance 2-6-3.3 Prerogatives Reserved

City of Las Vegas
Retirement Information Sheet

Date of Request _____

Name: _____ Position _____

Department: _____

Requested leave to begin on _____ and to end on _____.

	Conversion Formula	(circle one) Early Retirement / Sell Back
Accrued Leave: Sick	_____	
	/ 2 =	_____ * _____ =
Vacation	_____	\$ _____ Total Hourly Rate = Total

Retirement Options: (check one)

- Reduced Leave Schedule:** (a leave schedule that reduces the usual number of hours per work week, or hours per workday, of an employee to be used in conjunction with accrued leave.)
- Scheduled Leave:** Use of all accrued leave (Vacation and Sick). Timesheets are to be attached once approved by Director and City Manager
_____ Hours into days. Any remaining hours use conversion formula above (hours)
- Lump Sum Payout** (advise employee of applicable ordinances for Vacation and Sick Leave)

I acknowledge that by signing this document I understand the information and was provided a copy.

Employee Signature Date
(Have employee sign after approved)

To be Completed by Department Director

CONTINUITY PLAN

- Cross-training Vacation budgeted (applicable only for lump sum or remaining hours. (YES or NO))
- Post Position _____
- Other (use space provided)

Department Director Date

_____ Approved
_____ Denied (if denied, explain reason)

City Manager Date