



State of Vermont
Agency of Administration
Department of Finance & Management
Pavilion Office Building
109 State Street
Montpelier, VT 05609-0201
finance.vermont.gov

[phone] 802-828-2376
[fax] 802-828-2428

November 3, 2015

Mr. Arif Karim, Director
Cost Allocation Services
Program Support Center
Department of Health and Human Services
26 Federal Plaza, Room 41-122
New York, NY 10278

RE: Request for Approval to Claim Vermont's Retirement Incentive Program to Federal Programs

Dear Mr. Karim,

I respectfully submit this proposal for your review and approval as Vermont's cognizant federal agency to claim Vermont's 2015 Retirement Incentive Program to federal programs. This request is made in accordance with 2 CFR, Chapter II, Part 200, §200.431(i)(2)(ii) and ASMB C-10-Implementation Guide for OMB Circular A-87. Vermont implemented a similar program in 2009 and this proposal uses the same allocation methodology which was approved by your office at that time.

Background

Moderate revenue growth and increasing demand for services continues to place great pressures on the State of Vermont's budget. Although the state of Vermont is the only state in the nation that does not require a balanced budget, the administration and legislature have always presented and passed balanced budgets. In developing the State Fiscal Year 2016 budget, the administration was faced with a \$113 million general fund gap between available revenues and projected expenditures. Working in partnership with the legislature, a three-pronged approach to closing the FY2016 shortfall was agreed to using the following combination of new revenues, expenditure reductions and one-time funds:

- \$31.9 million in new revenues
- \$56.0 million in expenditure reductions
- \$25.2 million in available one-time funds

In order to help meet a portion of the \$56 million in expenditure reductions, the state implemented several labor savings initiatives totaling approximately \$10.6 million general fund of which \$2.6 was estimated to be achieved from a retirement incentive program.

Overview of the Program

The Retirement Incentive Program encourages state employees to retire effective October 1, 2015 (and no later than March 1, 2016) by issuing incentive payments up to \$15,000 per employee. The retirement incentive payment shall be made in equal installments during State Fiscal Years 2016 and 2017 with the first payment within 90 days of the retirement date and the second payment within 30

days of the one-year anniversary of the retirement date. Incentive payments will be made through the State's operating fund and not through the pension fund.

The program was offered to all eligible State employees (approximately 1,000) and there were 311 initial applicants. The legislation caps the number of employees who may participate in the program to no more than 300 and further states that if more than 300 eligible employees apply, the Retirement Division of the State Treasurer's Office shall utilize a lottery system to limit the incentive to no more than 300 employees. Since initial applicants exceeded 300, a lottery was conducted; however, several employees decided not to pursue the retirement incentive and only 221 employees are actually participating. Therefore, all eligible applicants who have chosen to participate are able to take advantage of the incentive.

The payments are designated in the legislation as severance pay and shall disqualify the individual receiving it from unemployment compensation benefits. In order to achieve long-term savings, the legislation also states that at least three-fourths of the positions vacated through this program must remain vacant and unfunded.

For further details about the program, please refer to the following attachments:

- Attachment A-Enabling Legislation;
- Attachment B-Details of the Program Issued by the State Treasurer to All Eligible Employees;
- Attachment C-Application for 2015 Retirement Incentive;
- Attachment D-Letter to Employees Related to the Lottery.

Provision for Re-Hiring Retirees

Per the enabling legislation, employees who receive the incentive payment may not return to State employment for at least one year from their retirement date unless approved by the Secretary of Administration. The Joint Fiscal Committee shall be notified of any employees who receive the incentive payments and who return to State employment within one year.

It is our intent to eliminate 75% of the positions vacated through these retirements and it is highly unlikely that any retirees who participate in the Retirement Incentive Program will be re-employed by the State of Vermont.

Projected Savings

The total FY 2016 payroll savings after netting the cost of the incentive payment is approximately \$6 million of which approximately \$2.6 million is general fund, \$1.38 million is the federal share, and the balance is from other state funds. The FY 2017 net annualized payroll savings is approximately \$13.4 million of which approximately \$2.85 million is the federal share.

Incentive Payment Costs

Although the exact incentive payment for employees who have not yet retired has not been calculated, we estimate the total cost of the incentive payments will be approximately \$3.2 million over the two year period. Our analysis projects approximately \$2 million of the total cost to be charged to departments with federal funding sources. After allocating this cost to all activities in each department as an indirect cost, I project that only 10-15% of the \$2 million will be paid by federal programs resulting in a total projected federal participation in the \$200,000 to \$300,000 range. Please refer to Attachment E (Retirement Incentive Cost Analysis) for more detail on these costs.

Evaluation of Effect of Downsizing

We are aware these reductions will have some adverse impact on our ability to deliver services and programs. Therefore, we are carefully evaluating each vacant position with the intent of avoiding a disproportionate impact on any program or service through the reallocation of the 25% of positions allowed to be refilled by the legislation.

Allocation to Federal Programs

Retirement incentive payments meet the definition of "mass severance" as found in 2 CFR, Chapter II, Part 200, §200.431(i)(2)(ii) and are an allowable cost. As such, we are requesting approval for federal financial participation using the following methodology:

We propose to charge the incentive payments at a departmental level to the department's topmost administrative cost pool and allocated to all programs within the department, both state and federal. We have notified business managers that we are seeking approval to claim these costs in this manner, and will not charge federal programs until approval is granted.

The following is our justification as to why we feel charging at a departmental level is appropriate and equitable.

- Enabling legislation for this program did not designate funding for the program.
- Legislative intent was for departments to bear the cost of these incentive payments through their operating budgets, to be offset by the savings resulting from the position being eliminated, held vacant, or filled with an employee paid at a lower rate of pay than the incumbent.
- The mechanics of processing incentive payments are through the State of Vermont payroll system. This system is designed to charge the appropriate department for each employee when a payment is made. It would have taken considerable effort and expense to modify this system so that it charged these payments at a state level rather than at a department level.
- We feel that it is equitable to charge these incentive payments to the department in which the employee last worked, since the employee was a part of the functions and programs within that department while they were employed.

We would appreciate your prompt attention to this request. Should you have any questions or concerns, please contact my staff member Karen Jaquish, Statewide Grants Administrator, at karen.jaquish@vermont.gov or (802) 828-3201. Thank you for your time and consideration of this very important matter.

Sincerely,



Andrew Pallito
Commissioner

Attachments

No. 58
2015

Page 94 of 247

Sec. B.1104 SECRETARY OF ADMINISTRATION; FISCAL YEAR 2016

PERSONNEL AND LABOR COST SAVINGS

(a) The Secretary of Administration shall reduce fiscal year 2016 appropriations and make transfers to the General Fund for a total of \$5,000,000 and the Transportation Fund for a total of \$1,500,000 from personnel and labor cost savings.

Sec. B.1104.1 STATE EMPLOYEE RETIREMENT INCENTIVE

(a)(1) An individual who is employed by the Executive Branch of State government on July 1, 2015 and participates in either the defined benefit or defined contribution plan, was hired prior to July 1, 2008, and has at least 30 years of service or is age 62 with at least five years of service as of August 1,

2015, and does not initiate the purchase of any additional service credit after May 1, 2015, shall be eligible for the retirement incentive set forth in this section.

(2) An individual who is employed by the Executive Branch of State government on July 1, 2015 and participates in either the defined benefit or defined contribution plan, was hired on or after July 1, 2008, and has a combination of years of service and age that equals 87 or more, or is age 65 with at least five years of service as of August 1, 2015, and does not initiate the purchase of any additional service credit after May 1, 2015, shall be eligible for the retirement incentive set forth in this section.

(3) The Retirement Division of the State Treasurer's Office shall offer the retirement incentive to all eligible employees. If more than 300 eligible employees apply, the Retirement Division shall utilize a lottery system to limit the incentive to no more than 300 employees.

(4) If an employee applies for retirement by August 31, 2015 for a retirement effective October 1, 2015, the employee shall be entitled to:

(A) \$750 per year of service if the employee has five years of creditable service or more and fewer than 15 years of creditable service;

(B) \$1,000 per year of service if the employee has 15 years of creditable service or more.

(b) Upon approval from the Secretary of Administration, an agency or department with multiple retiring employees may request authority to stagger

the retirement dates of individual employees in order to continue the normal operation of business. However, no retirement date shall be later than March 1, 2016.

(c) The incentive set forth in subsection (a) of this section shall not exceed \$15,000 per employee. An employee shall receive the retirement incentive in two equal payments in fiscal years 2016 and 2017. The first payment shall be made within 90 days of the retirement date. The second payment shall be made within 30 days of the one-year anniversary of the retirement date. The retirement incentive shall not be paid from the Vermont State Retirement Fund as set forth in 3 V.S.A. § 473.

(d) No employee who receives the incentive set forth in subsection (a) of this section may return to State employment for at least one year from his or her retirement date unless otherwise approved by the Secretary of Administration.

(e) The Joint Fiscal Committee shall be notified of any employees who have received the incentive set forth in subsection (a) of this section and who returns to State employment within one year of the retirement date.

(f) The retirement incentive set forth in subsection (a) of this section shall be considered severance pay that shall disqualify the individual receiving it from unemployment compensation benefits under 21 V.S.A. § 1344(a)(5)(C).

(g) The Joint Fiscal Committee may vote to increase the number of individuals who are eligible for the retirement incentive set forth in this section.

(h) The State Treasurer shall report the number of individuals applying for the retirement incentive set forth in this section by agency to the Joint Fiscal Committee by September 8, 2015.

(i) Members of the Vermont State Retirement System who are not employed by the State of Vermont shall not be eligible for the retirement incentive set forth in this section.

(j) In order to realize cost savings to State government, at least three-fourths of the number of positions vacated as a result of this retirement incentive program must remain vacant and unfunded. No later than January 15, 2016, the Secretary of Administration shall report to the General Assembly a listing of those positions which will remain vacant and unfunded.

ELIZABETH A. PEARCE
STATE TREASURER



UNCLAIMED PROPERTY DIVISION
TEL: (802) 828-2407

RETIREMENT DIVISION
TEL: (802) 828-2305
FAX: (802) 828-5182

ACCOUNTING DIVISION
TEL: (802) 828-2301
FAX: (802) 828-2884

STATE OF VERMONT
OFFICE OF THE STATE TREASURER

July 17, 2015

To: Vermont State Employees Eligible for the 2015 Retirement Incentive
From: Vermont Retirement Systems

Based on a preliminary review of our records, it appears you are eligible to voluntarily retire under the 2015 Retirement Incentive that was recently passed by the Vermont General Assembly. (See Act No. 58, Section B.1104.1 of the 2015 Legislative Session). The 2015 Retirement Incentive is available to any State of Vermont employee who meets the following eligibility criteria:

- You were employed by the Executive Branch of Vermont State Government on July 1, 2015.
- You are in the defined benefit or defined contribution retirement plans.
- For employees hired before July 1, 2008, you must have at least 30 years of service *or* be age 62 with at least 5 years of service as of August 1, 2015. No service credit purchases initiated after May 1, 2015 are eligible.
- For employees hired on or after July 1, 2008, you must have a combination of years of service and age equaling 87 or more, *or* be age 65 with a least 5 years of service as of August 1, 2015. No service credit purchases initiated after May 1, 2015 are eligible.

In accordance with the recently passed law, eligible employees must apply for the incentive on or before August 31, 2015, for a October 1, 2015 effective retirement date. If over 300 eligible employees apply for the incentive, the retirement office will utilize a lottery system to limit the incentive to 300 employees. Additionally, the law does allow for the Joint Fiscal committee to vote to increase the number of employees who are eligible for the retirement incentive.

The 2015 Retirement Incentive provides the following benefits in addition to the monthly pension payments for defined benefit members and access to retirement funds for defined contribution members:

- A.) \$750.00 per year of service if the employee has five years of creditable service or more and fewer than 15 years of creditable service; or,
- B.) \$1,000.00 per year of service if the employee has 15 years of creditable service or more up to a max of \$15,000.

The law states that the retirement incentive shall not exceed \$15,000.00 per employee and the cash portion of the retirement incentive is to be paid in two equal amounts in fiscal years 2016 and 2017.

The first payment is to be made within 90 days of the retirement date. The second payment is to be made within 30 days of the one year anniversary of the retirement date. The retirement incentive will be treated as a severance payment under subdivision 1344(a)(5)(C) of Title 21, which means the incentive is taxable and subject to FICA withholding and is disqualifying remuneration, which means if you accept this retirement incentive you may not be eligible to receive unemployment compensation. It should also be noted that the retirement incentive will not be included in the average final compensation for defined benefit members, nor counted as retirement wages for defined contribution members.

Enclosed with this letter are two forms: an *Application for 2015 Retirement Incentive* and an *Estimate Request*. Both of these forms must be completed and returned to the retirement office no later than August 31, 2015, if you wish to be considered for retirement effective October 1, 2015 under the incentive. **NOTE: All applications with original signatures must be either personally delivered or mailed and physically in the retirement office by 4:30 pm on Monday, August 31, 2015. If you are planning to mail your application, please mail it early to ensure delivery on or before August 31, 2015. Applications received after August 31, 2015, regardless of the postmark date, will not be considered. Electronically transmitted applications will not be accepted.**

The enabling legislation limits this incentive to 300 employees. If more than 300 applications are received, after a lottery drawing, those selected for this incentive will receive estimate information and a standard retirement application. At this time we anticipate sending the estimate and retirement paperwork by September 8th to the 300 employees who are selected. All retirement paperwork must be completed and returned to the retirement office by September 30, 2015.

We have tentatively scheduled group retirement seminars to be held the week of September 10th in the Pavilion Building in Montpelier which will provide additional information about the retirement system and process. In addition Retirement Specialists will be available to meet with individuals to answer specific questions. More information about these seminars will be provided to the 300 employees during the first week of September.

Employees who are not selected for the incentive will not receive estimate information unless some of the initial 300 withdraw applications or the Joint Fiscal Committee votes to increase the retirement incentive beyond 300. If you are not selected for the incentive and are still interested in receiving estimate information, please contact the retirement office.

Please note that anyone retiring effective October 1, 2015, must terminate employment on or before September 30, 2015. The law allows for an employer to stagger the retirement dates of multiple retiring employees, if necessary, to continue the normal operation of business. However, no retirement date shall be later than March 1, 2016. The law also states that no employee who retires with the retirement incentive may return to state employment for at least one year after his or her retirement date unless approved by the Secretary of Administration.

Again, we have determined your eligibility for the retirement incentive based upon a preliminary review of our records. Final eligibility is contingent upon verification and confirmation of membership date and corresponding years of service on August 1, 2015, and status as an Executive Branch employee. This letter is not binding.

Please contact the retirement office toll-free in Vermont at 1-800-642-3191, or at 802-828-2305, if you have any questions or require additional information.

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Pavilion Building, 109 State Street, Montpelier, VT 05609-6901

802-828-2305 or 1-800-642-3191 (Toll free in VT only)

Application for 2015 Retirement Incentive

I, _____
 (Please Print Full Name - First Middle Initial Last)

hereby make application for the Retirement Incentive contained in Section B.1104.1 of Act 58 of the 2015 Legislative Session as outlined below:

1. An individual who is employed by the Executive Branch of State government on July 1, 2015 and participates in either the defined benefit or defined contribution plan, was hired prior to July 1, 2008, and has at least 30 years of service or is age 62 with at least five years of service as of August 1, 2015, and does not initiate the purchase of any additional service credit after May 1, 2015, shall be eligible for the retirement incentive set forth in this section. Or, an individual who is employed by the Executive Branch of State government on July 1, 2015 and participates in either the defined benefit or defined contribution plan, was hired on or after July 1, 2008, and has a combination of years of service and age that equals 87 or more, or is age 65 with at least five years of service as of August 1, 2015, and does not initiate the purchase of any additional service credit after May 1, 2015, shall be eligible, for the retirement incentive set forth in this section. The retirement division shall offer the retirement incentive to all eligible employees. If more than 300 eligible employees apply, the retirement division shall utilize a lottery system to limit the incentive to no more than 300 employees.
2. If the employee applies for the retirement incentive by August 31, 2015, for a retirement effective October 1, 2015, and is selected as one of the 300 eligible employees, he/she shall be entitled to:
 - (a) \$750 per year of service if the employee has five or more years of creditable service and fewer than 15 years of creditable service; or,
 - (b) \$1,000 per year of service if the employee has 15 years of creditable service or more up to a max of \$15,000.
3. An employer may stagger the retirement dates of multiple retiring employees if necessary to continue the normal operation of business, however, no retirement date shall be later than March 1, 2016.
4. The incentive set forth in subsection (a) of this section shall not exceed \$15,000 per employee. The employee shall receive the cash portion of the retirement incentive in two equal payments in fiscal years 2016 and 2017. The first payment shall be made within 90 days of the retirement date. The second payment shall be made within 30 days of the one year anniversary of the retirement date.
5. No employee who receives the incentive set forth in subsection (a) of this section may return to State employment for at least one year from his or her retirement date unless approved by the Secretary of Administration.
6. The retirement incentive set forth in subsection (a) of this section shall be treated as a severance payment under subdivision 1344(a)(5)(C) of Title 21, which means it is taxable and subject to FICA withholding and is disqualifying remuneration for unemployment benefits. This means that if the employee was laid off and is receiving unemployment compensation, the unemployment benefit will be temporarily suspended at the time the incentive is paid for the number of weeks it would take the employee to earn the incentive as pay at their last rate of pay. In this case the employee must report the receipt of the incentive to the Department of Labor.
7. Members who are not employed by the Executive Branch of the State of Vermont shall not be eligible for this retirement incentive.

I hereby acknowledge my understanding of, and agreement to, the conditions outlined above and further acknowledge that I must complete the standard retirement application indicating the retirement option I chose. I understand that final eligibility for this retirement incentive is contingent upon verification and confirmation of my membership date and corresponding years of service at August 1, 2015. I further acknowledge and understand that the option I elect and my decision to retire from the State of Vermont are irrevocable after the first payment becomes normally due.

 (Signature of Member)

 (Mailing Address – Street or Box Number)

 (City or Town)

 (State)

 (Zip Code)

 (Social Security Number)

 (Phone)

Name of Department where currently employed: _____

NOTE: All applications and estimate requests with original signatures must be either personally delivered or mailed and must physically be in the retirement office by 4:30 p.m. on Monday, August 31, 2015. If you are planning to mail your application, please mail it early to ensure it is delivered to the retirement office on or before August 31, 2015. Applications that are received after August 31, 2015, regardless of the postmark date, will not be considered. Electronically transmitted applications will not be accepted.

ELIZABETH A. PEARCE
STATE TREASURER

RETIREMENT DIVISION
TEL: (802) 828-2305
FAX: (802) 828-5182



UNCLAIMED PROPERTY DIVISION
TEL: (802) 828-2407

ACCOUNTING DIVISION
TEL: (802) 828-2301
FAX: (802) 828-2884

STATE OF VERMONT
OFFICE OF THE STATE TREASURER

September 2, 2015

To: VT State Employees Who Were Selected in the Lottery for the 2015 Retirement Incentive
From: Vermont Retirement Systems

We are writing to update you on the 2015 Retirement Incentive contained in Section B. 1104.1 of Act 58 of the 2015 Session of the Vermont General Assembly.

We received 311 applications and in accordance with the law conducted a lottery to select the initial 300 eligible employees. You were selected as part of the lottery and will receive the incentive benefits if you follow through with the retirement process outlined below.

PLEASE NOTE: It is important that you contact our office in writing no later than September 15, 2015, if you decide not to pursue the retirement incentive and are not planning on retiring at this time. This information is necessary in order to track the number of employees who are retiring and to offer your "slot" to an employee who was not selected in the initial lottery. If you are retiring, we encourage you to communicate with your supervisor/appointing authority as soon as possible. Please see the "Last Day of Employment and Providing Notice of Resignation" requirements discussed below.

Retirement Process

Included with this letter is an *Informational Bulletin* which provides an explanation of the many components related to retiring from the State of Vermont. We suggest that you read the information in this Bulletin carefully as it may answer some of your immediate questions about the retirement process. We have also included an FAQ from the VTHR Payroll Team.

We have also included *estimates* of your monthly retirement benefit, assuming that you stop working either September 19th or September 30th, for an effective retirement date of October 1, 2015. The reason for these two different stop work dates is that the date you elect to stop working affects the amount of your monthly retirement benefit. (Please review the enclosed estimates for more information.) You will note that the amount of your monthly benefit also depends upon which retirement *option* you select. If you provided our office with survivor data, the optional survivorship retirement benefit amounts were calculated using this data. Please refer to the *Informational Bulletin* for more information about each *option*.

The following forms are included in this packet and must be completed and returned to our office no later than September 30, 2015.

- 1.) *APPLICATION FOR RETIREMENT BENEFITS (this form must be signed in the presence of a notary)*
- 2.) *DIRECT DEPOSIT SIGN-UP FORM*
- 3.) *VERMONT TAX WITHHOLDING INSTRUCTIONS AND FORM*
- 4.) *FEDERAL TAX WITHHOLDING INSTRUCTIONS AND FORM*
- 5.) *VERMONT RETIREE MEDICAL INSURANCE FORM*
- 6.) *COORDINATION OF HEALTH INSURANCE BENEFITS FORM*
- 7.) *VERMONT STATE EMPLOYEES RETIREE DENTAL PLAN INFORMATION AND FORM*

Retirement Seminars

We have scheduled a number of group retirement seminars to provide information about the retirement system and process beginning Thursday, September 10, 2015 and running through Friday September 18, 2015, in the 4th Floor Conference Rooms in the Pavilion Building, located at 109 State Street in Montpelier. Retirement Specialists will also be available to meet with individuals to answer specific questions during this same time period. **Seating for each of these seminars is limited and you will need to call our office at 1-800-642-3191 (toll-free in Vermont) or at 802-828-2305, in order to reserve your seat.** While we have scheduled numerous seminars, employees need only attend one seminar. The dates and times of the retirement seminars are as follows:

Thursday – September 10 – 8:30 AM, 10:30 AM, and 1:30 PM, conference room 428

Friday – September 11 – 8:30 AM, and 10:30 PM, Governor's conference room

Monday – September 14 – 8:30 AM, 10:30 AM, and 1:30 PM, Governor's conference room

Tuesday – September 15 – 8:30 AM, 10:30 AM, and 1:30 PM, conference room 428

Wednesday – September 16 – 8:30 AM, 10:30 AM, conference room 428

Thursday – September 17 – 8:30AM, 10:30 AM, and 1:30 PM, conference room 428

Friday – September 18 – 8:30 AM ad 10:30 AM, Governor's conference room .

Last Day of Employment and Providing Notice of Resignation

You must stop working on or before September 30, 2015, in order to have an October 1, 2015, effective retirement date. Given the short time frames the Administration has agreed to waive the required two-week termination notice. Typically, a minimum of a two-week notice is required in order to be paid your full annual leave payout if your balance is greater than 160 hours. This means that employees can have all of their annual leave payout and not be limited to receiving compensation for no more than 160 annual leave hours had they not given a two week notice. We do however recommend, for departmental planning purposes, employees provide as much notice as possible to their respective

supervisor/appointing authority. Please note that if you work any time after September 30, 2015, you will be ineligible to retire effective October 1, 2015, and therefore be ineligible for the retirement incentive. The only exception to this requirement is if your Department requests approval from the Secretary of Administration to retain you in order to continue the normal operation of business. The law does allow an employer to stagger the retirement dates of multiple retiring employees if necessary to continue the normal operation of business; however no retirement date associated with the incentive shall be later than March 1, 2016. The Secretary of Administration will work with Agencies/Departments on a case by case basis for requests to extend retirement dates.

Incentive Payments

The VTHR Division will manage all payroll and tax issues associated with the incentive payments which will be paid through the normal payroll process. According to Vermont law, the payments will be made in two equal installments. The first must be made within 90 days of the retirement date and the second payment must be made within 30 days of the one year anniversary of the retirement date.

Taxes: The retirement incentive payments will be subject to Income Tax, Social Security Tax and Medicare Tax. Taxes will be assessed at a flat rate of 25% for Federal, 6.0% for State and a combined rate of 7.65% for Social Security and Medicare Tax. The retirement incentive payments are not subject to retirement tax.

The retirement incentive payments are **not eligible** to be deposited into your 457 Deferred Compensation account.

The first installment of the incentive payment will be included as wages earned on the W-2 issued in the year of retirement. The second installment, which is being deferred a year, will be included as wages earned on the W-2 issued for the year the second installment is paid.

Social Security Benefits: Wages which are earned in a year prior to the year they are paid usually do not affect the benefits payable under the Social Security annual earnings test. However, in order for the Social Security Administration to not include these earnings in the earnings test, these prior period amounts (second installment of incentive payment) must be reported to them as such. The VTHR Division will be filing an Employer Report of Special Wage Payment (SSA-131) with the Social Security Administration when the second installment of your retirement incentive is paid to you.

The VTHR Division strongly encourages each of you to speak directly with your tax advisor to better assess the impact these payments may have on your tax returns.

Thank you for your cooperation and patience. Please let us know if you have any questions. Retirement staff can be reached by calling **1-800-642-3191 (toll-free in Vermont) or at 802-828-2305.**

State of Vermont
2015 Retirement Incentive Cost Analysis

Agency/Department	Allocate to Federal*		State Only		Total	
	# Positions	Total Pymts	# Positions	Total Pymts	# Positions	Total Pymts
ACCD - Central Office	-	-	1	15,000	1	15,000
ACCD - Tourism & Marketing	-	-	1	15,000	1	15,000
Agriculture, Food & Markets	1	15,000	3	45,000	4	60,000
AHS - Central Office	3	45,000	-	-	3	45,000
AHS - Children and Families	25	370,904	-	-	25	370,904
AHS - Corrections	1	15,000	17	224,129	18	239,129
AHS - DAIL	6	86,222	-	-	6	86,222
AHS - Health	11	139,740	-	-	11	139,740
AHS - Mental Health	2	30,000	-	-	2	30,000
AHS - Vermont Health Access	1	12,826	-	-	1	12,826
ANR - Central Office	-	-	1	15,000	1	15,000
ANR - DEC	8	120,000	6	90,000	14	210,000
ANR - Fish & Wildlife	-	-	4	60,000	4	60,000
ANR - Forests, Parks & Recreation	3	45,000	2	30,000	5	75,000
AOA - Administration	-	-	1	15,000	1	15,000
AOA - BGS	1	8,279	1	15,000	2	23,279
AOA - BGS	-	-	5	47,700	5	47,700
AOA - DII	-	-	2	30,000	2	30,000
AOA - Finance & Management	-	-	1	15,000	1	15,000
AOA - HR	-	-	1	6,992	1	6,992
AOA - Libraries	3	45,000	1	9,576	4	54,576
AOA -Tax	-	-	9	135,000	9	135,000
AOT	54	795,375	-	-	54	795,375
Defender General's Office	-	-	6	84,288	6	84,288
Education	1	15,000	4	60,000	5	75,000
Financial Regulation	-	-	2	16,007	2	16,007
Labor	10	150,000	1	15,000	11	165,000
Liquor Control	-	-	2	30,000	2	30,000
Lottery Commission	-	-	1	15,000	1	15,000
Military	5	75,000	-	-	5	75,000
Natural Resources Board	-	-	3	45,000	3	45,000
Public Safety	-	-	5	70,212	5	70,212
Public Service Board	-	-	1	15,000	1	15,000
Public Service Department	1	15,000	1	15,000	2	30,000
Vermont Life	-	-	1	15,000	1	15,000
Veterans' Home	2	24,520	-	-	2	24,520
Grand Total	138	2,007,866	83	1,148,904	221	3,156,770

* Note: Allocate to Federal means that this Department/Agency has Federal Funds and this cost may be partially allocated to Federal Programs in accordance with A-87 regulations and accompanying proposal.