

FOR CONSIDERATION

July 15, 2010

TO: The Directors

FROM: Dennis Mullen

SUBJECT: Retirement Incentive Program

REQUEST FOR: Adoption of Retirement Incentive Program; Establishment of Open Periods Thereunder and Authorization to Take Related Actions

Background

Chapter 105 of the Laws of 2010, effective June 3, 2010 (the “Legislation”), makes available to public employers a Retirement Incentive Program (a copy of the Legislation is attached to these materials as Exhibit A). The Legislation permits employers that participate in the New York State and Local Employees’ Retirement System, if they elect, to provide special retirement incentive benefits to their regular retirement plan members who are at least age 50 with ten years of service credit or at least age 55 with at least 5 years service credit (not including incentive credit). The Program also provides for a retirement benefit for eligible employees who are at least age 55 with at least 25 years of service to retire without early retirement reductions.

There are two parts to the Retirement Incentive Program. Part A provides eligible employees with an additional one-twelfth of a year of service for each year of retirement service credited as of the date of retirement. The maximum amount of additional retirement service credit that can be provided under this incentive program is three (3) years.

Part B of the Legislation mandates that each employer offer up to a 90-day period during which Tier 2, 3, and 4 members who are at least age 55 and have 25 or more years of service credit may retire without benefit reduction. It does not provide additional service credit.

The Legislation requires that public authorities pursuant to a board resolution (1) adopt the Retirement Incentive Program, and (2) establish an open period for Part A and for Part B during which eligible employees may retire and be entitled to incentive benefits. The Part A and Part B “open periods” may not begin before the effective date of the Legislation, and may be for a period not less than thirty (30) days, and not more than ninety (90) days, and cannot extend beyond December 31, 2010.

It is proposed that the Corporation adopt the Retirement Incentive Program as set forth in the Legislation and that the “open period” for Part A and Part B commence October 3, 2010 and end on December 31, 2010.

Budget Implications

Any cost incurred would be funded by the fringe benefit portion of the Corporation’s Operations Budget. It is contemplated that through a combination of elimination of positions and hiring replacements at lower salaries, the Corporation can realize significant cost savings.

Requested Action

The Directors are requested to adopt the Retirement Incentive Program as set forth in Chapter 105 of the Laws of 2010, and to establish the “open period” for retirement thereunder to commence for Part A and Part B on October 3, 2010 and end on December 31, 2010.

Attachments

Resolutions

Exhibit A – Chapter 105 of the Laws of 2010

July 15, 2010

ADOPTION OF RETIREMENT INCENTIVE PROGRAM AS SET FORTH IN
CHAPTER 105 OF THE LAWS OF 2010; ESTABLISHMENT OF PARTS A AND
B OPEN PERIOD FOR RETIREMENT THEREUNDER AND AUTHORIZATION
TO TAKE RELATED ACTIONS

RESOLVED, that on the basis of the materials presented to the Directors at their meeting, held on July 15, 2010 a copy of which materials are ordered filed with the records of the Corporation, the Directors hereby adopt the Retirement Incentive Program as set forth in Chapter 105 of the Laws of 2010; and be it further

RESOLVED, that the open period for retirement under the Retirement Incentive Program Parts A and B is hereby established as the period commencing on October 3, 2010 and ending on December 31, 2010; and be it further

RESOLVED, that the Chairman and CEO of the Corporation or his designee(s) are hereby authorized to take such action or execute such agreements as they may consider necessary or appropriate to effectuate the foregoing.

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