

**RETIREMENT SERVICES BUSINESS PLAN  
FOR PROPOSED 2002 EARLY OUT**

## **OVERVIEW**

This business plan describes the services to be provided and the resources needed to administer the proposed 2002 Early Retirement program. An important goal of this business plan is to ensure that the current processing goals established by Retirement Services continue to be met, and there be no diminishment in services to customers of Retirement Services.

## **ASSUMPTIONS**

1. Previous Early Out recommendations and summaries have been considered when documenting the resources needed for this plan. Retirement Services spent \$1.7 million for the 1997 Early Out. In addition, departments contributed staff costing an estimated \$500,000 for a total cost of \$2.2 million.
2. There are approximately 4000 state employees projected to retire.
3. Retirement Services will receive approximately 35,000 inquiries related to the Early Out program.
4. The early out will have an application window period of approximately 30 days beginning April 1, 2002.
5. The early out effective dates will be July 1, 2002 to November 1, 2002.
6. Equipment (computers, phones, etc) will be needed to accommodate the influx of temporary staff.
7. Estimates are based on current processing capabilities.
8. DC transfers and administering sick leave payouts will require manual processing.
9. Supervision and training of temporary staff will be done by current Retirement Services staff which will then require backfilling.
10. Any unspent pension funds return to the pension fund.

## **SERVICES TO BE PROVIDED BY RETIREMENT SERVICES**

- Early Retirement Seminar Programs will be scheduled for active employees as follows: 40 to occur with anticipated attendance of 8,000
- Separate Seminars will be held for Legislative and Judicial employees
- Career Change/Job Search Seminars will be provided to assist with the transition to other jobs
- Five Training Seminars will be scheduled for HR offices
- A dedicated Early Out section will be created on the Website to include:
  - Benefit Estimator
  - Schedule of Future Mailings & Happenings
- A specific Early Out call routing system will be in place
- A dedicated Early Out e-mail address will be established
- Introductory letters with personalized information will be mailed to active employees that currently meet or could potentially meet the 80 point requirement. These letters will be mailed out within 10 days of when the proposal becomes law.
- Requests to purchase additional years of service will be processed within 10 business days from receipt of billing request
- Letters requesting years of service information will be responded to within 10 business days of receipt of request.
- Acknowledgement of receipt of application and a pension estimate will be sent to employees within 10 –15 business days of receipt of application in Retirement Services
- Applicants will be placed on payroll and receive their first pension check and insurance benefits consistent with current standards (within 60days).

<b>TEMPORARY STAFF COSTS</b>	
<b>Tasks</b>	<b>Cost*</b>
Seminars (Preparation, registration & delivering)	\$30,800
Responding to customer requests (phone calls, correspondence)	\$140,800
Overtime for current ORS staff responding to specialized requests	\$36,500
Determine Eligibility & Generate Estimated Benefits	\$296,000
Obtain Final Pay Information & Calculate Final Benefit	\$340,800
Audit Final Benefit Calculation	\$19,200
Processing mail, logistics, supplies, space and procurement	\$163,200
Records Management	\$266,400
	<b>\$1,293,700</b>

<b>OTHER RESOURCE COSTS</b>	
<b>Description of Item</b>	<b>Total Cost</b>
Revision, printing and collating of forms and letters	\$30,000
Postage	\$67,100
Seminar Costs	\$104,000
Revise Benefits Processing Program	\$150,000
Equipment (Computers, Network Charges, Label Makers, Phones, Desktop Printers, Network Printers, & Copier)	\$259,900
Supplies	\$14,000
Microfilm Charges	\$12,800
Customer Focus Groups and Surveys	\$25,000
	<b>\$662,800</b>

## **TOTAL COSTS**

• Additional Staff Subtotal:	\$1,293,700
• Other Resource Subtotal:	662,800
• Contingency Fund (10%):	<u>195,650</u>
<b>ESTIMATED GRAND TOTAL:</b>	<b>\$ 2,152,150</b>

## **SUMMARY**

In order to continue to meet our current processing goals while administering this program, additional funding needed for this program is \$2.1 Million.